ANHEUSER-BUSCH COMPANIES, INC. ANNUAL REPORT 1990

THE CONTINUING TRADITION OF INNOVATION: A DAWN OF NEW IDEAS

Anheuser-Busch Companies, Inc.
Annual Report 1990

The Continuing Tradition of Innovation

FOR MORE THAN 125 YEARS, ANHEUSER-BUSCH'S SINGLE GREATEST "SECRET OF SUCCESS" HAS BEEN NO SECRET AT ALL——AN UNCOMPROMISING COMMITMENT TO QUALITY.

BUT IN THE SHADOW OF THAT INTENSE AND MUCH-PUBLICIZED COMMITMENT IS ANOTHER "SECRET"——A CONTINUAL QUEST FOR INNOVATION THAT CUTS ACROSS ALL BOUNDARIES: MARKETING, NEW PRODUCT DEVELOPMENT, ENVIRONMENTAL CONCERNS AND SOCIAL PROBLEMS. ANHEUSER-BUSCH'S INNOVATIVE APPROACH TO PRODUCTS, PROGRAMS AND PEOPLE HAS ALWAYS PLAYED A SIGNIFICANT ROLE IN THE COMPANY'S SUCCESS.

THE COMPANY'S TRADITION OF INNOVATION GOES BACK MORE THAN A CENTURY, TO THE DAYS WHEN THE BREWERY'S FOUNDER, ADOLPHUS BUSCH, DEVELOPED THE FIRST NATIONAL BEER——BUDWEISER——AND SHIPPED IT IN UNIQUE REFRIGERATED RAILCARS. IN SUBSEQUENT YEARS——THROUGH TWO WORLD WARS, PROHIBITION AND THE GREAT DEPRESSION——ANHEUSER-BUSCH FOLLOWED HIS LEAD, DEVISING UNIQUE WAYS TO USE ITS RESOURCES, ITS PEOPLE AND ITS EXPERTISE.

WHILE INNOVATION AND QUALITY ARE INSEPARABLY LINKED AT ANHEUSER-BUSCH, THIS YEAR'S ANNUAL REPORT HIGHLIGHTS SOME OF THE COMPANY'S INNOVATIVE PROGRAMS AND PRODUCTS.

AS YOU WILL SEE, THE TRADITION CONTINUES...

(In millions, except per share, employee, shareholder and statistical data)

YEAR ENDED DECEMBER 31,	1990	1989	% CHANGE
Barrels of beer sold	**86.5**	80.7	7.2
Sales	**$11,611.7**	$10,283.6	12.9
Excise taxes	**868.1**	802.3	8.2
Net sales	**10,743.6**	9,481.3	13.3
Operating Income	**1,599.0**	1,328.7	20.3
Income before income taxes	**1,352.1**	1,226.7	10.2
Net income	**842.4**	767.2	9.8
Earnings per share:			
Primary	**2.96**	2.68	10.4
Fully diluted	**2.95**	2.68	10.1
Common stock dividends	**265.0**	226.2	17.2
Per share	**.94**	.80	17.5
All taxes	**1,610.6**	1,475.1	9.2
Capital expenditures	**898.9**	1,076.7	(16.5)
Depreciation and amortization	**495.7**	410.3	20.8
Weighted average shares outstanding:			
Primary	**284.6**	286.2	(.6)
Fully diluted	**289.7**	286.2	1.2
Effective tax rate	**37.7%**	37.5%	.2%
Return on capital employed	**12.3%**	13.3%	(1.0)%
Return on shareholders equity	**24.9%**	24.7%	.2%
Fixed charge coverage	**5.1×**	6.6×	(1.5)×
FINANCIAL CONDITION AT DECEMBER 31			
Plant and equipment, net	**$7,063.8**	$6,671.3	5.9
Total assets	**9,634.3**	9,025.7	6.7
Long-term debt	**3,147.1**	3,307.3	(4.8)
Common stock and other shareholders equity	**3,679.1**	3,099.9	18.7
Total debt to total debt plus equity	**46.1%**	52.4%	(6.3)%
Number of full-time employees	**45,432**	46,608	(2.5)
Number of common shareholders	**65,991**	66,709	(1.1)

Note: The above amounts include the acquisition of Sea World as of December 1, 1989.

ANHEUSER-BUSCH COMPANIES, INC.

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In 1990, Anheuser-Busch once again set industry records, with beer volume reaching 86.5 million barrels, up 5.8 million barrels over 1989 record levels. Market share increased nearly two share points, to 43.7%, putting us well on track to achieve our 50% market share goal by the mid-1990s. In addition, net income rose 9.8%, to $842.4 million, and fully diluted earnings per share increased 10.1%, to $2.95.

MEETING THE MARKETPLACE CHALLENGE

While 1990 results were excellent, we began the year with some challenges.

- We had announced our intention to match competitive price discounting in the face of weakening beer sales trends;
- We were in the process of integrating Sea World, which was acquired in December 1989;
- And a major storm was developing over the excise tax issue.

Addressing these challenges was a major task for our company during the last year.

In order to maintain volume and profit growth in the face of price discounting, we took several steps. First, we matched—but never exceeded—our competitors' discounts. Our intent was—and continues to be—to meet competition, not accelerate price discounting activity. Second, we concentrated on our major brands, increasing promotional activity where necessary to ensure that they maintained solid trends. Third, we introduced several new products—most notably Bud Dry Draft and Busch Light Draft—which brought maximum incremental volume with minimal cannibalization.

As a result of these actions, we gained more beer volume than at any time since 1977. Clearly, our strategies in the beer business have proven sound.

Presently, we are assimilating the Sea World operations into our Busch Entertainment group. The parks suffered this year—as did all theme parks—because of the slowing economy. As a result, while the parks have good cash flow, we anticipate a longer timeframe before the acquisition dilution diminishes. Nevertheless, we continue to believe that Sea World is a good fit for Anheuser-Busch, and we expect that it will contribute to the long-term growth of the company.

A detailed discussion of the federal excise tax increase is provided on pages 8-9 of this report. While we opposed the tax increase and devoted a significant amount of time to the issue in 1990, a 100% increase nevertheless became effective January 1, 1991. As a result, consumers bought beer in December to avoid the higher tax. The increased federal excise tax, coupled with our normal price increase, means that beer consumers are paying about 10% more for their beer in 1991. First quarter 1991 consumer demand may be soft because of advance purchases in December and the initial reaction to higher beer prices.

The company is significantly impacted by federal, state and local taxes each year. Taxes applicable to 1990 operations total $1.6 billion and highlight the burden of taxation on the company and the brewing industry in general.

ANHEUSER-BUSCH REMAINS A BEER COMPANY

One of the themes we have stressed throughout 1990 with employees, wholesalers and business analysts is that Anheuser-Busch is primarily a beer company. We remain focused on basically the same things we focused on more than 100 years ago—brewing and marketing the finest quality beers.

However, while our focus remains the same, the company itself has changed. Through the years we have used our skills and capital to build additional businesses in areas where our expertise has application beyond the beer business. These businesses are in the areas of baking, container manufacturing and entertainment.

- We have applied the production and distribution technologies we learned in brewing to the bread business and are currently realizing significant returns as the country's second-largest baker.
- Our knowledge and experience in making aluminum cans allow us to profitably participate in the growing soft drink industry.
- And finally, with experience in park operation dating back more than 30 years, Anheuser-Busch has developed an expertise that has allowed it to become one of the world's largest theme park operators.

"We are still a beer company, clearly focused on beer as our first priority. But we have maintained an innovative spirit and have identified opportunities that complement beer and enhance our bottom line."

While we consider these businesses logical extensions of our core business, we remain a beer company, clearly focused on beer as our first priority. But we have maintained an innovative spirit and have identified opportunities that complement beer and enhance our bottom line. While brewing was breaking records in 1990, we also saw baking profits increase nearly 20%, to record levels. Packaging profits returned to near-record levels as we improved production and quality control. And our Busch Gardens and Sesame Place parks were good profit contributors, posting gains well over 10% despite a fall-off in attendance.

1991 OUTLOOK

1991 is starting much the way 1990 began—with uncertainty. The conflict in the Middle East has already had a far-reaching impact. Anheuser-Busch supports the American men and women who are serving in the Persian Gulf and the President of the United States during this difficult time.

While the situation in the Gulf is uppermost in our minds at this time, we face other challenges at home. As I've already mentioned, Congress has voted in the country's biggest tax package in history, including a doubling of the excise tax on beer. At the same time, the American economy is in the midst of a recession, as evidenced by the many stories we hear each day in the media about worker layoffs and cutbacks in consumer spending.

Container Recovery Corporation is the nation's leading recycler of used aluminum beverage containers, recycling more than 450 million pounds of aluminum each year.

METAL CONTAINER CORPORATION

Metal Container Corporation, one of the leading metal beverage container manufacturers in the United States, operates 10 can and lid plants. In 1990 Metal Container produced more than 12 billion cans and 14 billion lids.

In addition to supplying more than 40% of Anheuser-Busch, Inc.'s aluminum container requirements, Metal Container sold more than 40% of its production to the soft drink industry in 1990. The subsidiary has established commercial partnerships with several significant soft drink bottlers, including Wis-Pak, a major Pepsi-Cola bottling cooperative headquartered in Watertown, Wis.; C.O.B.O., a subsidiary of Pepsi-Cola Company; General Bottlers, Inc., a Midwest-based multiple franchise bottler; and Penn-Chesapeake Associates, a purchasing cooperative in the Mid-Atlantic area.

Metal Container's reputation as a supplier of high-quality, cost-competitive aluminum beverage containers is the foundation of its growing industry presence.

INTERNATIONAL LABEL COMPANY *(JOINT VENTURE)*

International Label Company is a joint venture between Illochroma International, S.A., of Brussels, Belgium, and Metal Label Company, a wholly owned subsidiary of Anheuser-Busch Companies. In 1990, International Label produced more than nine billion high-quality metalized labels using "state-of-the-art" vacuum metalizing and rotogravure printing technologies.

A recently completed major expansion will significantly increase printing capacity and capabilities. The expansion provides the opportunity to expand sales in current label business and to develop a new market for the company in unprinted metalized paper.

In addition to providing labels for Anheuser-Busch, International Label also services customers in the food, petroleum, paint, household products and beverage industries.

BUSCH CREATIVE SERVICES CORPORATION

Busch Creative Services, Anheuser-Busch's creative marketing communications subsidiary, continued to diversify its client base for its major product lines—sales promotion and business meetings—in 1990. Busch Creative produced award-winning materials and events for Anheuser-Busch Companies and other Fortune 500 corporations.

Innervision Productions, Inc.—Busch Creative Services Corporation's video production and post-production subsidiary located in St. Louis County—expanded its production capabilities with the addition of state-of-the-art digital audio equipment.

Optimus, Inc.—the company's Chicago film and video post-production subsidiary—continues to be the leading supplier of film and video editorial services to the Chicago advertising and corporate community.

ST. LOUIS REFRIGERATOR CAR COMPANY

St. Louis Refrigerator Car Company provides commercial repair, rebuilding, maintenance and inspection of railroad cars at three facilities in Missouri and Illinois. In 1990, the company completed its 112th year of operation.

Busch Mechanical Services, Inc.—a St. Louis Refrigerator Car subsidiary—repairs highway trailers on a commercial basis at shops in Belleville, Ill., and Memphis, Tenn.

MANUFACTURERS RAILWAY COMPANY

Manufacturers Railway Company, which was 103 years old in 1990, provides terminal rail switching services to St. Louis industries. It operates hopper cars, box cars and insulated beverage cars which are used by Anheuser-Busch and other shippers.

In addition, Manufacturers Railway subsidiaries furnish trucking and warehouse services at six Anheuser-Busch brewery locations.

Most Anheuser-Busch customers care more about what's inside the container than the container itself. And that's as it should be.

But Anheuser-Busch cares very much about its packaging. The company's commitment to packaging quality, efficiency and innovation is an accurate reflection of the care that goes into brewing the product inside the package.

Through the years, Anheuser-Busch has had three criteria for its beer containers: They must ensure the highest degree of product quality; be price competitive; and be recyclable.

Following these guidelines, Anheuser-Busch was the first brewer to convert nationwide to a total system of ecology packaging for its canned products, with one-piece non-detachable ring tab tops.

In addition, all loops used to hold cans in six-packs are photodegradable, which means they break down quickly and pose neither a litter problem nor a threat to wildlife if disposed of improperly.

Finally, the company requires all glass suppliers to use a certain percentage of recyclable glass in all their containers.

Because aluminum is durable, chills quickly, resists corrosion, and can be recycled again and again, thereby conserving energy and reducing litter, aluminum cans continue to be the package of choice for both beer and soft drink companies.

Metal Container Corporation—Anheuser-Busch's can manufacturing subsidiary—uses the latest technology to supply both Anheuser-Busch and soft drink company needs. For example, the company pioneered in the use of a plastic separator sheet for beer cans that helps protect the flavor of the product packaged in the can.

In addition, Metal Container has been a leader in the areas of lightweighting and can design. Through the years it has reduced the thickness of can walls by minute amounts — about one-eighth the thickness of a human hair. It also introduced a smaller diameter lid in 1985. That may not sound very significant. But consider that in 1970, 1,000 cans with ends weighed 50 pounds. Today, they weigh 34 pounds—a reduction of 32% and a significant cost savings.

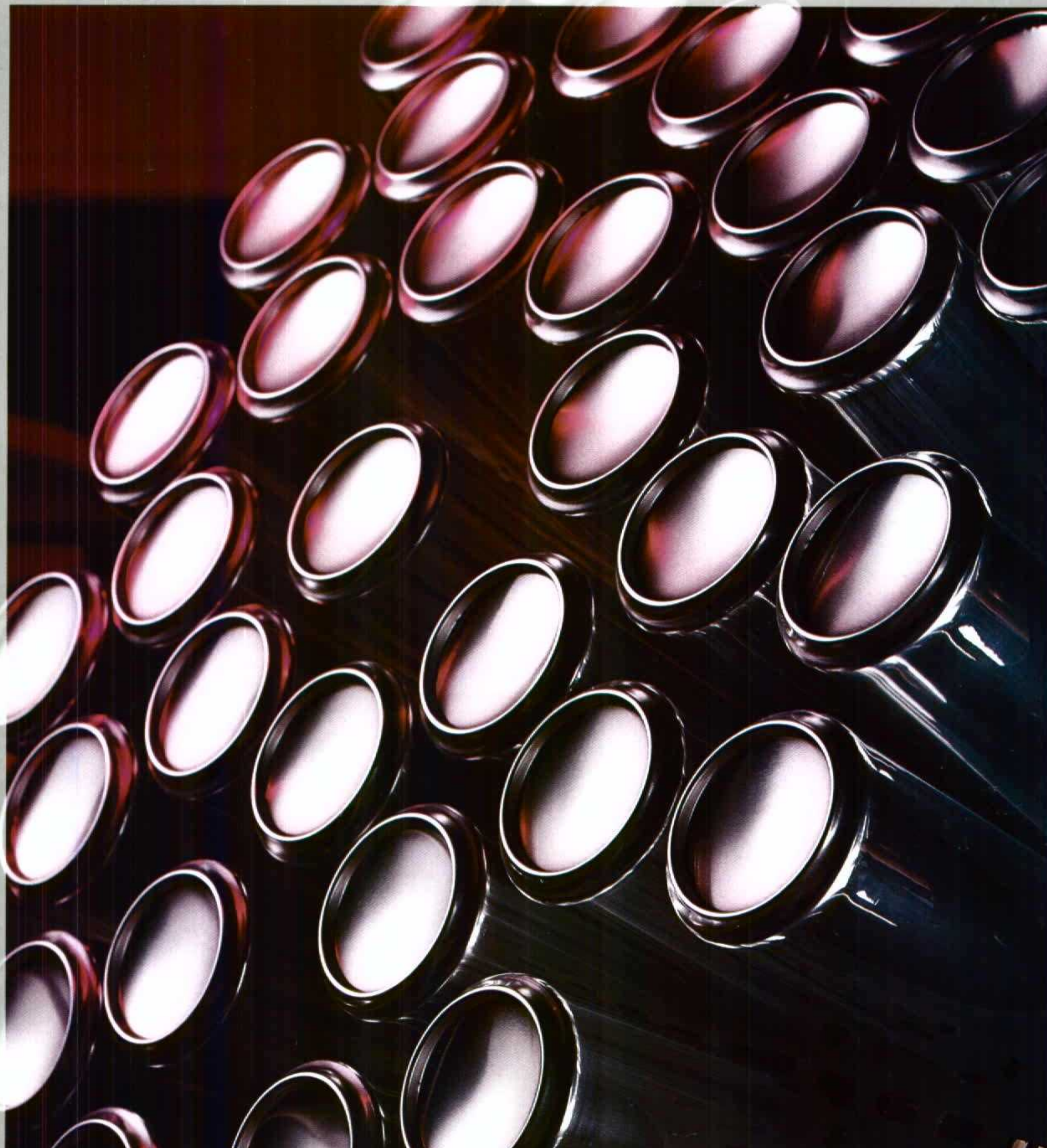
But Anheuser-Busch's interest in its packages doesn't end when the product is consumed. The company's Container Recovery Corporation—the nation's leading recycler of used aluminum beverage containers—has five strategically placed facilities nationwide which recycle more than 450 million pounds of aluminum each year.

In 1990, Container Recovery recycled enough aluminum to make more than 80% of the cans Anheuser-Busch, Inc. shipped into the marketplace. This type of recycling not only reduces solid waste, it also saves energy. Each time a can is recycled it uses only 5% of the energy initially required to produce aluminum from ore. In other words, recycling saves 95% of the energy needed to manufacture cans from raw ore. The energy saved from one recycled can will operate a TV set for three hours.

On a broader energy saving scale, consider that in 1990 more than 60% of all aluminum beer and beverage cans were recycled in the United States—saving 12 billion kilowatt hours of electricity, or the energy equivalent in oil of 20 million barrels.

Clearly, recycling saves energy and eases the solid waste problems in the country. But Anheuser-Busch has also found innovative ways to make recycling provide even more benefits. In St. Louis, the "Cans for Life" program helps needy patients in the burn unit of a local hospital. In Ohio, the "Recycle for Rhinos" program supports a rhino sanctuary in Kenya and other Columbus Zoo projects, such as the preservation of rain forests and water lands. And the "We Can Do It" program in Ohio lets school children raise money to purchase playground equipment.

So from development to production to recycling, Anheuser-Busch's innovative packaging programs benefit consumers, the general public and the environment.



As America's leading recycler of used aluminum beverage containers, Container Recovery Corporation recycles enough aluminum to make more than 80% of the beer cans used by Anheuser-Busch.

"Honey roast" has come to be a familiar term. But 12 years ago, when Anheuser-Busch introduced "Honey Roast" nuts, the product was unique. However, this innovative entry in the snack food market quickly caught the public's fancy. It was the first such product on the market, and in the years since—though there have been many imitators—the first remains the best.

CAMPBELL TAGGART, INC.

Campbell Taggart is a highly diversified, Dallas-based food products company with operations in about 35% of the United States and in various international markets. In 1990 the company experienced double-digit growth in operating profit.

BAKERY OPERATIONS

Campbell Taggart's bakery division, which accounts for 65% of that company's sales, enjoyed a year of strong sales and improved profits.

In 1990 Campbell Taggart began testing Rainbo/Colonial IronKids Bread, a white bread that has all the fiber, iron and other important nutrients of standard whole wheat bread, but with the color, taste and texture kids prefer.

After extensive consumer research, IronKids Bread was introduced to Atlanta, San Antonio, Oklahoma City, Tulsa, and Owensboro, Ky., in June of 1990. The introduction is being supported by one of the strongest advertising, promotional and public relations efforts in Campbell Taggart history. The campaign includes TV commercials directed separately to kids and parents, heavy couponing and special in-store merchandising materials. The IronKids Bread package is distinctive, depicting healthy, active kids coupled with easily understandable nutritional information.

Due to the success of IronKids Bread in its original five test markets, the product was rolled out to five additional markets in October 1990. A system-wide rollout will be completed by mid-1991.

The IronKids name is also used to identify the health and fitness program sponsored by Rainbo, Colonial or Kilpatrick's breads. See the feature story about this innovative program on page 28.

During 1990 Campbell Taggart also developed a close working relationship with Sea World. More than 400 Rainbo delivery trucks in Texas, Oklahoma, Arkansas and New Mexico are carrying Sea World of Texas advertising. Consumer offers for admission to Sea World were carried on Rainbo Bread bags, and Sea World was the official sponsor of the Rainbo "Fun Bun" Tour, a promotional T-shirt offer supporting Rainbo/Colonial hamburger buns. Sea World of San Diego provided entertainment for the IronKids National Championship in Dallas, and Shamu and Crew stickers were offered in Break Cake snack cake multi-packs.

Campbell Taggart's bakery division, which accounts for 65% of that company's sales, enjoyed a year of strong sales and improved profits. The company has operations across the southern tier of states.

REFRIGERATED PRODUCTS

Through its Merico subsidiary, Campbell Taggart is the largest manufacturer of private label refrigerated dough products in the U.S., with a one-third share of the refrigerated dough market. Merico had record sales and earnings in 1990.

During the year, Merico introduced cornbread sticks to complement its line of Hot'N Fresh breads and bread sticks. Merico's refrigerated dough line also includes biscuits, dinner rolls, sweet rolls, danish, cookies, breads and bread sticks. Work continues on a multimillion-dollar manufacturing modernization program for Merico's refrigerated dough plants. The modernization will be completed in 1992.

Merico also makes a variety of salad dressings, dips and toppings, as well as creamers and dairy and nondairy sour cream, for food service and retail customers. Merico's Slender Choice line of dips and nondairy sour cream is sold in retail grocery stores. This line of

products is cholesterol- and lactose-free and contains 40% fewer calories than comparable dairy products.

Merico also offers a line of single-portion salad dressings targeted to the food service sector as well as to consumers who want the convenience of pre-portioned servings.

In 1990, Merico expanded its capabilities to include the production of longer shelf-life specialized dairy products such as creamers, half-and-half and pastry whip.

FROZEN FOODS

Campbell Taggart's frozen food subsidiary, Eagle Crest Foods, markets a diverse array of products. In 1990, Eagle Crest added two new burrito products to its El Charrito retail line and also significantly expanded its food service sales.

INTERNATIONAL

Campbell Taggart's international operations experienced another year of sales growth in 1990. The company's Spanish subsidiary, Bimbo, S.A., maintained its position as the market leader in sales of high-quality bakery products.

Europate, S.A., which manufactures frozen and refrigerated dough products, expanded its sales and distribution and enjoyed another successful year.

OTHER

Campbell Taggart's folding carton packaging division produces folding cartons for sale to other Campbell Taggart divisions and outside customers.

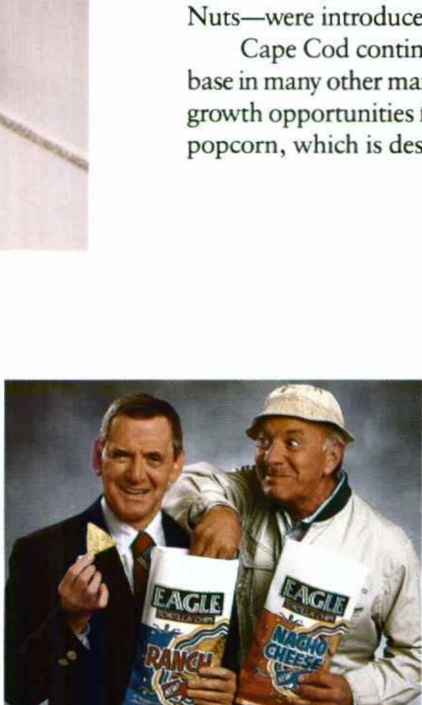
EAGLE SNACKS, INC.

In 1990 Eagle Snacks continued to make strides toward its goal of becoming a significant factor in the U.S. salted snack business. Industry sales exceeded $10.5 billion for the year.

During the 1980s, the salted snack category experienced significant growth, and this trend continued in 1990. As a result of continued potato chip sales increases and the successful introduction of its Eagle tortilla chips to selected markets, Eagle Snacks was the largest share gainer in the salted snacks market. Eagle tortilla chip products will be expanded to additional markets in 1991.

Sales of Eagle nuts continued to grow, and Eagle remains the second-largest-selling brand in supermarkets. Two new nut items—Fancy Virginia Peanuts and Lightly Salted Mixed Nuts—were introduced in 1990.

Cape Cod continues its dominance in New England and has established a firm sales base in many other markets. New potato chip flavors will be introduced in 1991, offering new growth opportunities for the brand. In addition, Cape Cod has introduced a light, low-salt popcorn, which is designed to appeal to health-conscious consumers.



FUN AND FITNESS ARE GOALS OF INNOVATIVE IRONKIDS PROGRAM

America's children are out of shape.

So say fitness and health experts around the country. As children spend more and more of their free time watching TV or playing video games, obesity, inactivity and heart disease loom as the biggest preventable health risks facing children in the 1990s, according to many professionals.

Enter IronKids.

This unique program, which began in 1985, is sponsored by Rainbo, Colonial or Kilpatrick's breads, depending upon the region of the country. It was developed by Anheuser-Busch's baking subsidiary, Campbell Taggart, and is administered with the advice of the IronKids Advisory Board. This five-member panel of health and fitness experts includes a pediatric cardiologist, nutritionist, exercise physiologist and Olympic gold medalists.

The program consists of three components:

IRONKIDS TRIATHLON

Named after the well-known Hawaiian Ironman Triathlon, this program features short-distance swimming, cycling and running events for children ages 7-14. The 16 events, held in cities all around the country, comprise the only national series of triathlons designed for children in this country.

Consistent with the theme, "Every Finisher is a Winner," each child who completes the course receives an IronKids pin, T-shirt, bicycle cap and swim cap. Olympic style medals are also given to the top finishers, who go on to compete in a national championship.

IRONKIDS CLUB

Established in 1986, the IronKids Club has more than 12,000 members. Club membership is free, and children who join receive a quarterly newsletter, membership card, jacket patch, membership certificate and wall poster. The purpose of the club is to educate and inspire children to pursue a physically and emotionally healthy life-style.

PATH TO HEALTH AND FITNESS PROGRAM

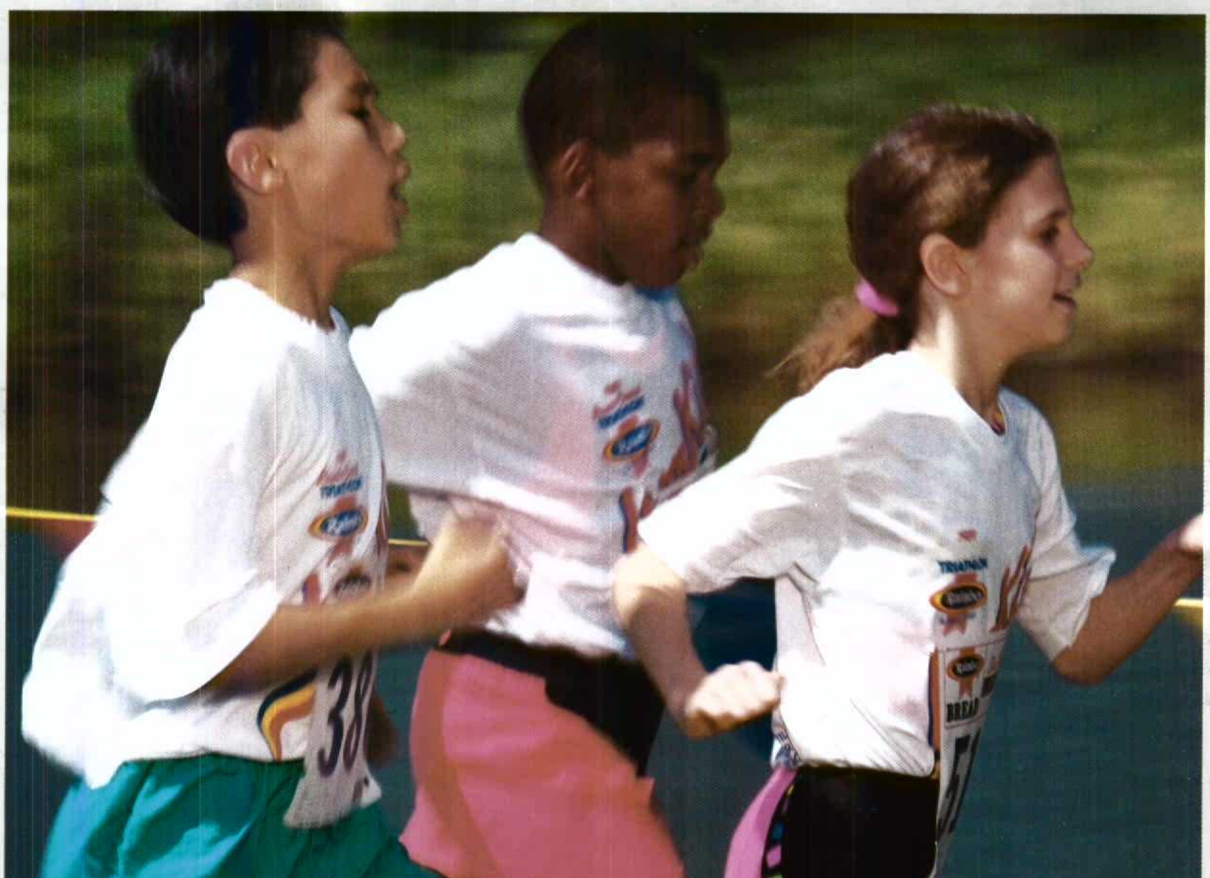
A nine-unit lesson plan, this program is offered free to health and physical education teachers in grades 2-8. The program encourages students ages 7-14 to learn about nutrition and fitness and to develop a positive attitude.

Since its inception in 1987, more than 80,000 teachers have participated in the school program, providing valuable health information to hundreds of thousands of children.

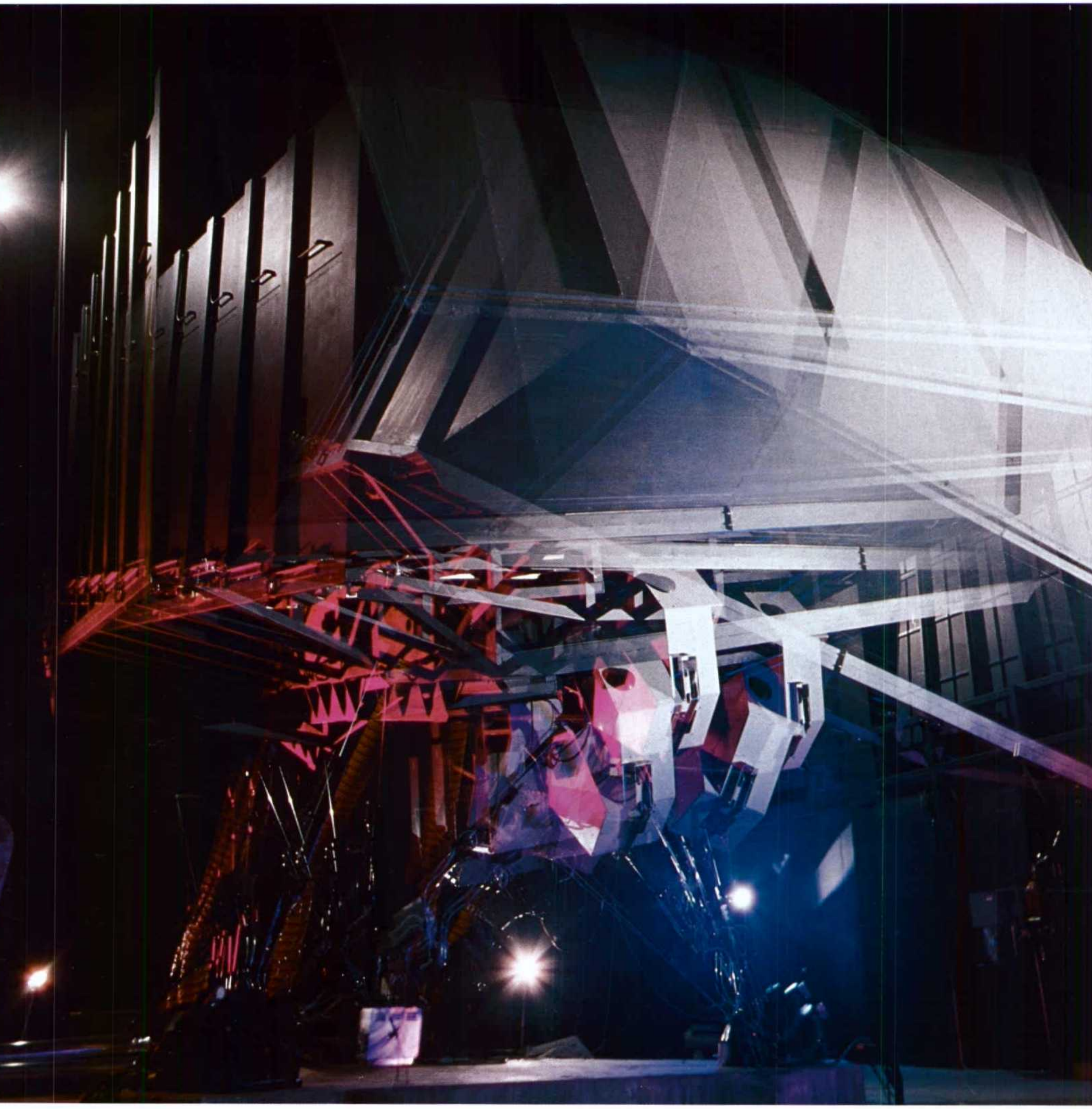
The latest addition to the IronKids program is IronKids Bread. This innovative product has all the iron, fiber and other important nutrients of standard whole wheat bread (which parents like), but the color, flavor and softness of white bread (which kids like). The new bread was introduced in 1990 and is currently being expanded to cities around the country, offering a nutritional alternative to standard whole wheat bread.

In an era when adults are more concerned about fitness and health than ever before, it is ironic that America's children are out of shape. Since adult nutrition and fitness habits are shaped during childhood, the next generation may face serious health problems unless steps are taken to instill proper eating and exercise habits in children.

Through its innovative programs and products, IronKids is creatively doing its part to ensure that today's kids are tomorrow's healthy adults.



Kids ages 7-14 benefit from the innovative IronKids health and fitness program, which includes a series of IronKids Triathlons held in various parts of the country.



For the 1990 season, Busch Gardens in Williamsburg introduced an innovative thrill ride—a 35,000-pound flying theme machine! The new high-tech simulator attraction is based on the same technology used to train pilots and takes riders on a thrilling trip through sight, sound and motion. With a capacity of approximately 60 passengers, it is believed to be the world's largest motion-based flight simulation system.

BUSCH ENTERTAINMENT CORPORATION

Busch Entertainment Corporation operates Busch Gardens in Tampa, Fla., and Williamsburg, Va.; Sea World in Orlando, Fla., San Antonio, Tex., Aurora, Ohio, and San Diego, Calif.; Cypress Gardens in Winter Haven, Fla.; Adventure Island in Tampa, Fla.; and Sesame Place in Langhorne, Pa.

Attendance at Busch Entertainment facilities varied by location. At the Tampa and Williamsburg Busch Gardens, attendance was flat versus the prior year, while Sesame Place attendance was up. At the four Sea World parks, Cypress Gardens and Adventure Island, attendance was down.

During the 1990 season, new attractions were added at many Busch Entertainment facilities. At the Williamsburg Busch Gardens, a new high-tech ride featuring what is believed to be the world's largest motion-based flight simulation system was added. At the Tampa Busch Gardens, the Crown Colony House restaurant and hospitality center opened, offering panoramic views of big game animals on the Serengeti Plain.

Adventure Island—a water park—introduced a new double tube water slide, the "Caribbean Corkscrew." A new water play area, "Big Bird's Rambling River," was opened at Busch Entertainment's children's play park, Sesame Place. Cypress Gardens introduced a children's rides area and a new show called "More than Magic."

At Sea World of Florida, a huge video screen and underwater cameras were installed for a new-generation Shamu show, "New Visions." This system projects close-up underwater images of killer whales, offering visitors a never-before-available view.

In addition, San Diego's Sea World introduced the "Forbidden Reef," a naturalistic home to moray eels, bat rays and other unusual fish species. This exhibit offers visitors a hands-on educational experience.

Sea World also received national recognition this year for its conservation efforts when Sea World research biologist Dr. Daniel K. Odell received the "Point of Light" award from President George Bush for his work with the Marine Mammal Stranding Network.

In 1991, new rides and attractions are planned for Busch Entertainment facilities. At the Williamsburg Busch Gardens, a show featuring a selection of variety acts will open in the Globe Theatre. A flight simulator attraction similar to the one in Williamsburg will open at the Tampa park. Sesame Place's "Big Bird's Rambling River" will be expanded, and Adventure Island will introduce a new family oriented water attraction.

At Sea World, a dramatic new exhibit of eels and exotic and dangerous fish will open as part of an expansion of the shark attraction at the Florida park. Sea World of California will introduce a new water-ski thrill show, and the Texas park will add two major water ride attractions, River Rapids and a flume ride.

(Continued on page 34)

At Busch Gardens in Tampa, Fla.—one of the four largest zoos in the U.S.—visitors can view more than 500 of the park's largest exotic mammals as they roam free on the 60-acre Serengeti Plain, an authentic replica of an African veldt.

In Texas, California, Ohio and Florida, extensive marine mammal breeding programs thrive at Sea World parks.

As illegal hunting, environmental hazards and shrinking habitats spell disaster for many of the world's species, Anheuser-Busch parks play an increasingly important role. The goals of these operations can be summed up in three words: conserve, study and educate.

CONSERVATION

Today's zoos and aquariums are strongly committed to captive breeding efforts for endangered or threatened species. Busch Gardens is a case in point. The park is home to the world's largest captive breeding program for Asian elephants and one of the world's most extensive captive breeding programs for parrots, macaws and cockatoos.

Busch Gardens has received more than two dozen awards from the American Association of Zoological Parks and Aquariums for its captive breeding programs and participates in the Association's international Species Survival Plan, which enables zoological institutions to work together to ensure the survival of certain endangered animals. Almost 40 endangered or threatened species are represented at Busch Gardens.

At Sea World of Texas, a special breeding program has been established for Kemp's Ridley sea turtles—the most endangered species of sea turtle. In addition, Sea World was the first to accurately report the gestation period for killer whales and maintains the world's most successful breeding programs for several species of marine animals, including killer whales, dolphins and penguins.

While both Sea World and Busch Gardens encourage breeding in all species, the parks pay special attention to those that are endangered. Humboldt penguins, for example, face extinction because of habitat destruction by man. At Sea World they find a safe haven.

In times of emergency, Sea World's experience is also tapped. Sea World of Florida rescues and cares for injured Florida manatees, which are dangerously close to extinction. Sea World research was also put into practice to save the lives of Alaskan sea otters after the Valdez oil spill. Today, six otters from the oil spill make their home at Sea World of California.

RESEARCH

While research activities take place at both Busch Gardens and Sea World parks, perhaps the most innovative and sophisticated efforts occur at the Sea World Research Institute, a nonprofit foundation adjacent to Sea World of California.

Among the institute's current efforts is research into the unique, extremely short sonar of Commerson's dolphins. While their sonar is perfectly adequate for navigation and hunting, it is unable to detect the nets used by fishing boats. As a result, thousands of the dolphins drown annually after becoming entangled. The institute hopes to gain a better understanding of the dolphins' sonar so safer nets can be designed.

Thanks to research such as this, programs designed to protect ocean resources have won support from legislators and business leaders.

"In the end we will conserve only what we love. We will love only what we understand. We will understand only what we are taught."

—Baba Dioum
Central African Conservationist

EDUCATION

Both Busch Gardens and Sea World work hard to make the world of wildlife understandable to the general public.

At the Tampa Busch Gardens, mobile displays with names like "Wings on Wheels" and "Rolling Reptiles" make daily rounds, enabling guests to see and touch various animal artifacts and gain a greater understanding of the intricacies of a species.

"Animal Close-Ups" are impromptu appearances by zoo staffers accompanied by different animals and reptiles. This program allows visitors to take a close-up look at a species.

More than half a million children and adults participate each year in Sea World educational programs, which have received national awards from the American Association of Zoological Parks and Aquariums.

In addition, the Sea World parks regularly share facilities, staff and data with university and marine researchers, working with them to add to the body of knowledge about these animals.

From displays and exhibits designed to create an appreciation for and understanding of the marine environment, to formal educational programs featuring field trips for students, special activities for hearing and visually impaired children and seminars for teachers, Sea World hopes to take the mystery out of the sea, and in so doing, inspire us all to be more concerned about the world in which we live.

* * *

As the earth becomes more hostile to wildlife, programs like those at Sea World and Busch Gardens may be the only hope of survival for many species. Through innovative research efforts and educational programs, Busch Gardens and Sea World are committed to helping people understand the important roles that all living things play in maintaining the delicate balance that is vital to the survival of our planet.

A special program at Sea World of Florida is designed to aid injured Florida manatees, which are nearly extinct.

BUSCH PROPERTIES, INC.

Busch Properties' holdings include Kingsmill on the James, a 2,900-acre resort and residential community in Williamsburg, Va.

Resort amenities include a 60,000-square-foot, four-level conference center containing eight meeting rooms equipped with state-of-the-art audiovisual equipment. Five dining facilities overlook the James River and Kingsmill's River Golf Course. Conference and resort guests are lodged in condominiums overlooking the James River, the River Golf Course or the tennis center. A total of 45 holes of golf are available for Kingsmill resident members and resort guests.

In 1990, the Kingsmill Resort and Conference Center was awarded the prestigious Four Diamonds by the American Automobile Association, the Gold Key Award from Meetings and Conventions magazine and the Pinnacle Award from Successful Meetings magazine.

The annual Anheuser-Busch Golf Classic, a regular PGA Tour event since 1977, was again held on Kingsmill's River Golf Course in July.

In 1990, property sales at Kingsmill were adversely affected by the overall slowdown in the housing market. There are now more than 1,800 property owners in Kingsmill and a resident base of more than 4,000.

The office market strengthened in Columbus, Ohio, resulting in an improved performance by the Busch Corporate Center located there. By year-end, occupancy in company-owned and managed buildings exceeded 90%.

In addition, Busch Properties of Florida owns approximately 300 acres adjacent to Sea World in Orlando and an additional 100 acres along the newly opened extension of International Drive, the main tourist thoroughfare.

ST. LOUIS NATIONAL BASEBALL CLUB, INC.

The St. Louis Cardinals, the company's major league baseball subsidiary, continued to be one of baseball's best-drawing teams in 1990 despite the fact that the team was not a factor in the National League pennant race.

More than 2.5 million fans visited Busch Stadium to watch the Cardinals play, the ninth consecutive season that the Cardinals have drawn more than two million fans. The club also increased its season ticket sales to a record 21,311.

CIVIC CENTER CORPORATION

Civic Center is the owner and operator of Busch Stadium and other properties in downtown St. Louis, including four parking garages and 2-3/4 downtown city blocks currently used for parking.

As a result of the attendance at Cardinals' games, a major concert and other special events at Busch Stadium, along with increased use of its parking facilities, Civic Center enjoyed a successful year in 1990.

1990 FINANCIAL REVIEW

CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITION

INTRODUCTION

This discussion summarizes the significant factors affecting the consolidated operating results, financial condition and liquidity/cash flows of Anheuser-Busch Companies, Inc. during the three-year period ended December 31, 1990. This discussion should be read in conjunction with the financial statements and notes thereto included in this Annual Report.

As more fully discussed in Note 2 to the consolidated financial statements, on December 1, 1989 Busch Entertainment Corporation (the company's entertainment subsidiary) purchased from Harcourt Brace Jovanovich, Inc. (HBJ) 100% of the stock of the companies of HBJ which owned four Sea World parks, two other theme parks and certain land holdings (Sea World). The purchase price was $975 million for the theme parks for a total of $1.1 billion including the land. The acquisition has been reflected in the financial statements using the purchase method of accounting. Accordingly, the Consolidated Statement of Income and the Consolidated Statement of Cash Flows include the operations of Sea World from December 1, 1989.

During 1988, the company disposed of its Busch Industrial Products operation. The gain on the sale of Busch Industrial Products did not have a material impact on the company's consolidated financial statements in 1988 and its operations/financial position was not material to the company's consolidated financial statements.

Anheuser-Busch's success in the beer industry over the last three years is primarily attributable to the company's emphasis on quality, its full line of beer products, an emphasis on total marketing and the introduction of innovative new brands.

OPERATIONS

SALES

Anheuser-Busch Companies, Inc. achieved record gross sales during 1990 of $11.61 billion, an increase of $1.33 billion or 12.9% over 1989 gross sales of $10.28 billion. Gross sales during 1988 were $9.71 billion. Gross sales include federal and state excise taxes on the company's beer products of $868.1 million in 1990, $802.3 million in 1989 and $781.0 million in 1988.

Net sales for 1990 were also a record $10.74 billion, an increase of $1.26 billion or 13.3% over 1989 net sales of $9.48 billion. Net sales during 1988 were $8.92 billion.

The increase in dollar sales over the three-year period (1988 through 1990) primarily results from higher beer sales volume and higher revenue per barrel (as discussed below), as well as higher overall sales by the company's food products and entertainment subsidiaries (reflecting the impact of the December 1, 1989 acquisition of Sea World).

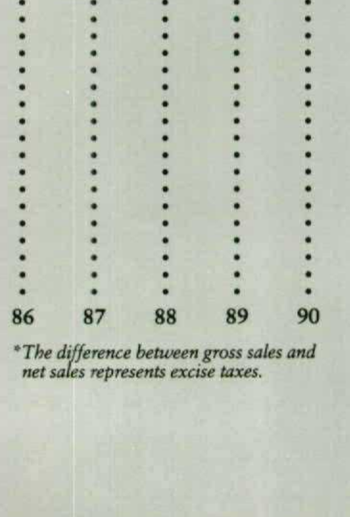
Anheuser-Busch, Inc., the company's brewing subsidiary and largest contributor to consolidated sales and profits, sold an all-time industry record of 86.5 million barrels of beer in 1990. This represents an increase of 5.8 million barrels or 7.2% over 1989 beer volume sales of 80.7 million barrels. Beer volume sales for 1988 were 78.5 million barrels. The 1989 and 1988 beer volume sales gains represented increases of 2.2 million barrels (2.8%) and 2.4 million barrels (3.2%), respectively. During this same period, revenue per barrel has increased .9%, 2.8% and 2.9%, respectively.

Anheuser-Busch, Inc.'s 1990 sales volume represents approximately 43.7% of total brewing industry sales in the U.S. (including imports), according to estimates provided by The Beer Institute. This represents an increase of 1.7 share points as compared to 1989 market share of 42.0%. Market share for 1988 was 41.1%.

Anheuser-Busch's success in the beer industry over the last three years is primarily attributable to the company's emphasis on quality and its full line of beer products, the company's total marketing effort and the introduction of innovative new brands such as Michelob Dry, Bud Dry and Busch Light.

The deficit reduction package approved by Congress and the President in late October 1990 included a 100% increase in the federal excise tax on beer, effective January 1, 1991. Anheuser-Busch opposed any increase in beer excise taxes since such taxes are regressive and place an unfair burden on America's working men and women. Although difficult to predict, the company's best estimate is that this excise tax increase could reduce industry sales volume

*SALES**
(In billions of $)



**The difference between gross sales and net sales represents excise taxes.*

by as much as 2% in 1991. Anheuser-Busch's sales growth, which has far exceeded industry growth in the past, and the company's extensive line of beer brands, should place the company in a strong position to compete in this new excise tax environment.

During 1989, accelerated consolidation of the beer industry coupled with excess capacity led several of Anheuser-Busch's major brewing industry competitors to increase price discounting on their premium brands and to more aggressively market their low-price brands. While Anheuser-Busch was very reluctant to discount its high-quality premium brands to the same extent as competition, the widening price spreads slowed the growth of the company's premium-price brands in some markets. Therefore, in late 1989 the company elected to meet competitors' premium price levels in those markets. The 1990 results indicate that this strategy has been successful in enabling Anheuser-Busch to enhance its beer industry leadership position.

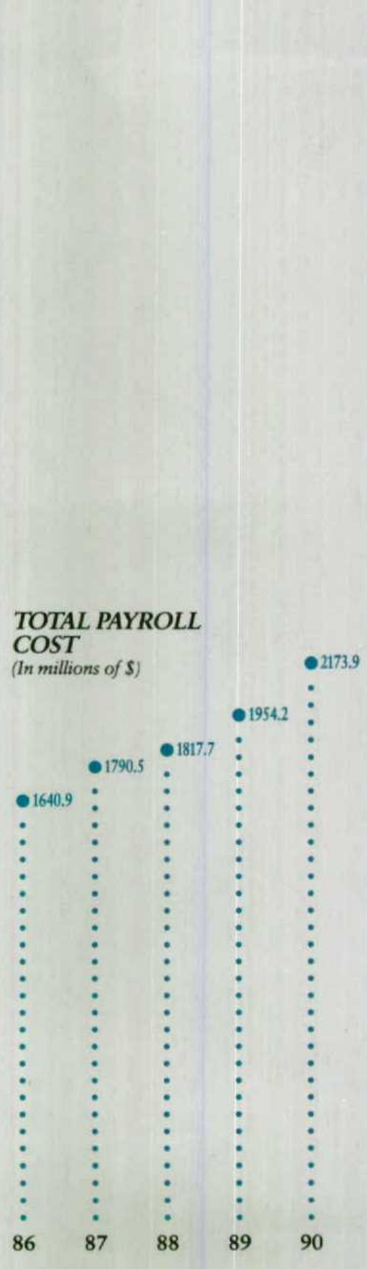
The weak economy and competitive factors resulted in lower 1990 attendance at the company's Busch Gardens and Sea World parks (as compared to preacquisition attendance). These conditions and higher gasoline prices may continue to put downward pressure on 1991 attendance and profitability. The earnings impact of these conditions should be partially offset by new attractions, new marketing programs and the implementation of additional productivity improvement programs.

COST OF PRODUCTS AND SERVICES

Cost of products and services for 1990 was $7.09 billion, a 13.0% increase over the $6.27 billion for 1989. This increase follows a 7.7% and 8.4% increase in 1989 and 1988, respectively. These increases primarily relate to the higher beer sales volume, higher sales levels of the company's food products and entertainment subsidiaries (reflecting the impact of the December 1, 1989 acquisition of Sea World), 1988 start-up costs associated with the company's Fort Collins, Colo., brewery and higher raw material costs resulting from the 1988 summer drought. Such increases, however, have been offset partially by the company's ongoing productivity improvement and cost reduction programs.

As a percent of net sales, cost of products and services was 66.0% in 1990 as compared to 66.2% in 1989 and 65.3% in 1988.

TOTAL PAYROLL COST
(In millions of $)



MARKETING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

Marketing, distribution and administrative expenses for 1990 were $2.05 billion, an increase of 9.3% over 1989. This increase compares to increases of 2.3% for 1989 and .4% for 1988. These expenses include approximately $735.7 million, $642.1 million and $592.2 million in 1990, 1989 and 1988, respectively, of selling, delivery and general operating expenses associated with the company's wholesale baking operations and its company-owned beer and snack foods wholesale operations.

Marketing, distribution and administrative expenses have increased over the past three years as a result of the higher level of sales activity in each business segment (reflecting the impact of the December 1, 1989 acquisition of Sea World), continuing development of new products and beer brands together with new advertising and marketing programs, and the extension of snack food distribution. Areas significantly affected by these factors since 1987 include media advertising, point-of-sale materials and developmental expenses associated with new advertising and marketing programs for established as well as new products; operating expenses of company-owned beer wholesale operations; bakery and snack foods selling, delivery and general operating expenses; payroll and related costs; business taxes; depreciation; supplies; and general operating expenses.

TAXES AND PAYROLL COSTS

The company is significantly impacted by federal, state and local taxes each year. Taxes applicable to 1990 operations (not including the many indirect taxes included in materials and services purchased) totaled $1.61 billion and highlight the burden of taxation on the company and the brewing industry in general. Taxes for 1990 increased $136 million or 9.2%

over 1989 taxes of $1.48 billion. This increase follows increases of 4.2% in 1989 and .8% in 1988 and results principally from increased beer excise taxes related to higher beer sales volume and higher income taxes related to the company's increased earnings level.

Other than the increase in the federal excise tax on beer previously discussed, the Deficit Reduction Act of 1990 is not expected to have a significant effect on the results of operations or liquidity of the company in 1991 as compared to prior years.

As discussed in Note 1 to the Consolidated Financial Statements, in December 1987 the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 96 (FAS 96), "Accounting for Income Taxes." FAS 96 has subsequently been amended by the FASB such that the required adoption date was postponed until fiscal years beginning after December 15, 1991. The FASB is also currently reevaluating certain of the major provisions of FAS 96 as well as a further extension of its required adoption date. Management has not yet made a decision as to when FAS 96 will be adopted or the adoption methodology (restatement or one-time adjustment to earnings) to be utilized. Had the company adopted FAS 96 in 1990 in its present form, retained earnings would have increased and the deferred income tax liability would have decreased by approximately $130 million at December 31, 1990. Future statutory tax rate changes (or amendments to FAS 96 provisions) could alter the magnitude of the FAS 96 impact estimate.

Fully diluted earnings per share of common stock for 1990 were $2.95, an increase of 10.1% compared with $2.68 for 1989. Fully diluted earnings per share for 1988 were $2.45.

Payroll costs during 1990 totaled $2.17 billion, an increase of $220 million or 11.2% over 1989 payroll costs of $1.95 billion. This increase follows a 7.5% increase in payroll costs in 1989 over 1988 and a 1.5% increase in payroll costs in 1988 over 1987. The increase in payroll costs reflects normal/negotiated increases in salary and wage rates and benefit costs and the additional employees as a result of the acquisition of Sea World.

Salaries and wages paid during 1990 totaled $1.79 billion. Pension, life insurance and welfare benefits amounted to $229.1 million and payroll taxes were $151.8 million. Employment at December 31, 1990 was 45,432 compared to 46,608 at December 31, 1989.

The company's national labor contract with the Brewery Conference of the International Brotherhood of Teamsters, which represents the majority of brewery workers, expired February 28, 1991. The company and the union have agreed to the terms of a new labor contract which would be effective through February 28, 1994. It is undergoing the union's ratification procedure, which should be completed by March 22, 1991.

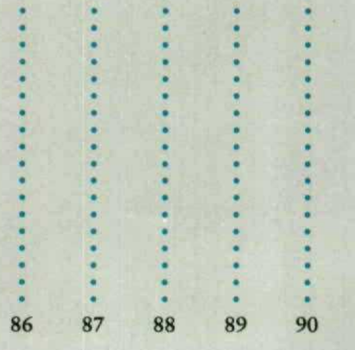
The company provides health care and life insurance benefits to certain retired employees who attain specified age and years of service requirements. The cost of such benefits is currently recognized as an expense as claims are paid and was not material for any of the years 1990, 1989 or 1988.

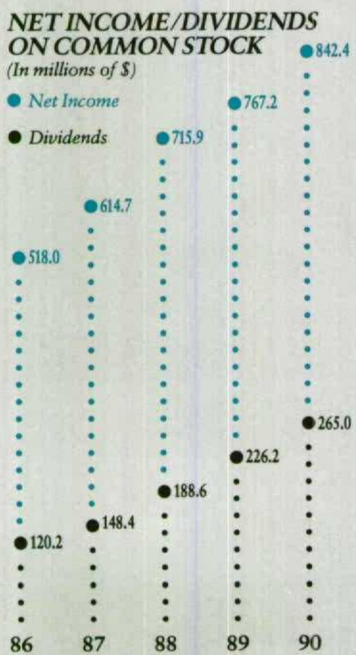
In December 1990, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 106 (FAS 106), "Employers' Accounting for Postretirement Benefits Other Than Pensions." This standard requires the recognition of postretirement benefits, including health and welfare benefits, on an accrual basis. Adoption of FAS 106 is required by 1993 and permits a choice of adoption methodologies. Management has not yet made a decision as to which year FAS 106 will be adopted (1991, 1992 or 1993) or the adoption methodology to be utilized for the transitional obligation (a one-time adjustment to earnings or amortization over 20 years). Management is currently in the process of evaluating the financial accounting impact of FAS 106 on the company. There is no cash flow impact of FAS 106 on the company.

OPERATING INCOME

Operating income, the measure of the company's performance before interest costs and other non-operating expenses, was $1.60 billion in 1990, a $270.3 million increase or 20.3% over 1989. Operating income was $1.33 billion in 1989 and $1.26 billion in 1988, increases of 5.1% and 10.1% over the previous year, respectively. Operating income as a percent of net sales was 14.9% in 1990 as compared to 14.0% in 1989 and 14.2% in 1988.

OPERATING INCOME
(In millions of $)





NET INTEREST COST/INTEREST CAPITALIZED

Net interest cost, or interest expense less interest income, was $276.0 million in 1990, an increase of $110.7 million when compared to 1989 net interest cost of $165.3 million. Net interest cost in 1988 was $131.8 million. The increase in net interest cost over the past three years is due primarily to the issuance of debt to finance a variety of activities/projects and the establishment of a leveraged ESOP during 1989. Specific information regarding company financing (including the level of debt activity and the leveraged ESOP) and the company's capital expenditures program is presented in the Liquidity and Capital Resources section of this discussion.

Interest capitalized increased $3.1 million in 1990 as compared to 1989. The increase resulted from a higher level of qualified expenditures due to the construction of the Cartersville, Ga., brewery, partially offset by a lower weighted average interest rate due to a higher level of commercial paper borrowings. Interest capitalized increased $7.3 million in 1989 as compared to 1988. This increase resulted from a higher level of qualified expenditures and a higher weighted average interest rate related to long-term debt issued during 1989.

OTHER INCOME/(EXPENSE), NET

Other (expense), net, was $(25.5) million in 1990, compared to $11.8 million other income in 1989 and $(16.4) million other expense in 1988. Other income/(expense) includes numerous items of a non-operating nature which do not have a material impact on the company's consolidated results of operations (either individually or in the aggregate). The 1989 results were unusual due primarily to reduced losses on the disposition of non-operating assets.

NET INCOME

Net income for 1990 was $842.4 million, an increase of 9.8% compared with $767.2 million for 1989. Net income for 1988 was $715.9 million. Net income for 1989 and 1988 represents increases of 7.2% and 16.5%, respectively, over the preceding year.

The effective tax rate was 37.7% in 1990, 37.5% in 1989 and 38.3% in 1988.

EARNINGS PER SHARE

Fully diluted earnings per share of common stock for 1990 were $2.95, an increase of 10.1% compared with $2.68 for 1989. Fully diluted earnings per share for 1988 were $2.45. Fully diluted earnings per share assumes the conversion (as of January 1, 1990) of the company's 8% Convertible Debentures due 1996. In calculating fully diluted earnings per share, weighted average shares outstanding are increased by the assumed conversion of the Debentures and net income is increased by the after-tax interest expense on the Debentures.

FINANCIAL POSITION

LIQUIDITY AND CAPITAL RESOURCES

The company's primary sources of liquidity are cash provided from operating activities and financing activities. Information on the company's consolidated cash flows (operating activities, financing activities and investing activities) for the past three years is set forth in the Consolidated Statement of Cash Flows on page 50 of this report.

Working capital at December 31, 1990 was $14.4 million as compared to a $25.7 million deficit at December 31, 1989.

During 1990 and 1989, the company issued the following debt:

- $100 million, 8-3/4% Notes due 1995—issued in July 1990.
- $75 million medium-term notes due 1993 to 2001 (with varying interest rates)—issued during 1990.
- $350 million, 9% Debentures due 2009—issued in December 1989.
- $250 million, 8-3/4% Notes due 1999—issued in December 1989.
- $241.7 million, 8% Convertible Debentures due 1996— issued in November 1989.

At December 31, 1990 and 1989 there were $305.8 million and $484.0 million of commercial paper borrowings outstanding classified as long-term debt. The commercial paper is intended to be maintained on a long-term basis, with ongoing credit provided by the company's $500 million domestic revolving credit agreements (discussed below).

During 1990, the company repurchased its $100 million, 11-1/8% Notes due 1993 and effectuated a $60 million debt-for-debt exchange for certain sinking fund debentures. No major debt issues were retired during 1989. Gains/losses on these debt activities (either individually or in the aggregate) were not material to the company's consolidated financial statements.

During the second quarter 1990, the company entered into an interest rate cap program on $400 million of floating rate borrowings. The program provides an interest rate ceiling on certain short-term interest rates through April 1992 to minimize the company's exposure should interest rates rise.

The company has fully hedged its foreign currency exposure for interest and principal payments on its foreign currency denominated debt through agreements with various lending institutions.

During the next five years, the company plans to continue capital expenditure programs designed to take advantage of growth opportunities for its beer and beer-related, food products and entertainment segments.

The company believes its strong beer wholesaler network is a major factor in its long-term growth. Therefore, the company believes that affording beer wholesalers the opportunity to invest in the company will further this goal. In 1989, the company registered with the Securities and Exchange Commission (SEC) a total of $300 million of seven-year convertible debentures (convertible into common stock) as part of its Wholesaler Investment Program. A total of $241.7 million of the debentures were issued. The debentures are subject to mandatory redemption at the end of seven years, optional redemption/repurchase at the company's or holder's discretion after three years, and special redemption/repurchase based on the occurrence of certain redemption events with respect to particular holders.

Shelf registration statements filed with the SEC in 1989 and previous years established a maximum level of debt securities in the amount of $1 billion available for issuance by the company from time to time. As of December 31, 1990, $165 million of this debt remained available for issuance.

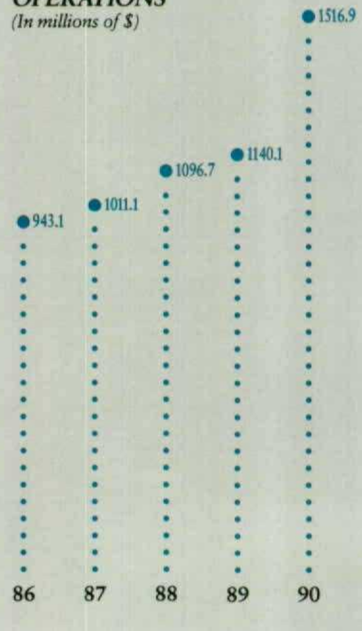
During the next five years, the company plans to continue capital expenditure programs designed to take advantage of growth opportunities for its beer and beer-related, food products and entertainment segments. Cash flow from operating activities will provide the principal support for these capital investments. However, a capital expenditure program of this magnitude (together with the company's previously announced share repurchase program) may require external financing from time to time. The nature and timing of external financing will vary depending upon the company's evaluation of existing market conditions and other economic factors.

In addition to its long-term debt financing, the company has access to the short-term capital market utilizing its bank credit agreements and commercial paper. The company has formal bank credit agreements which provide for maximum borrowings of $500 million. These agreements, the details of which are discussed in Note 4 to the Consolidated Financial Statements, provide the company with immediate and continuing sources of liquidity.

In connection with the December 1, 1989 acquisition of Sea World, the company entered into a 60-day line of credit arrangement totalling $700 million ($200 million expired on December 31, 1989 and $500 million expired on January 31, 1990). In December 1989, $440 million was borrowed under this agreement for a period of 15 days at a weighted average interest rate of 8.5%. At December 31, 1989 (and during January 1990) the company had no outstanding borrowings under the agreement.

In September 1989, the company entered into a four-year credit facility in Spain with 10 local banks totaling 9.5 billion pesetas (approximately $100 million). The primary purpose of the facility is to provide interim financing of costs associated with the company's proposed development of a theme park and resort complex in Spain. As of December 31, 1990

CASH FLOW FROM OPERATIONS
(In millions of $)



and 1989, approximately $30 million and $14 million, respectively, was borrowed against this facility. The details of this agreement are discussed in Note 4 to the Consolidated Financial Statements.

During 1990, the company announced it would not proceed with the Spanish park and resort project without the equity involvement of international developers or partners. The company is currently working with the government of Catalonia, Spain and J.P. Morgan & Co., Inc. in locating interested international partners. At December 31, 1990, Anheuser-Busch's total investment in the project was $90 million of which $50 million is land.

The company's ratio of total debt to debt plus equity was 46.1%, 52.4% and 34.2% at December 31, 1990, 1989 and 1988, respectively. The significant increase in this ratio at December 31, 1989 is due to the financing of the Sea World acquisition, the accounting for the leveraged ESOP transaction and the share repurchase program. The company's fixed charge coverage ratio was 5.1 for the year ended December 31, 1990 and 6.6 and 7.4 for the years ended December 31, 1989 and 1988, respectively.

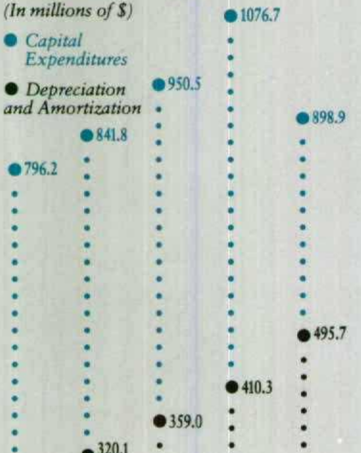
As more fully described in Note 7 to the Consolidated Financial Statements, during 1989 the company established an employee stock ownership plan (ESOP) feature for its existing Deferred Income Stock Purchase and Savings Plans (401-k plans). Approximately 60% of total salaried and hourly employees are eligible for participation in the ESOP. Under the ESOP feature the plans borrowed $500 million, guaranteed by the company, and used the proceeds to buy approximately 11.3 million shares of common stock from the company. The ESOP shares are being allocated to participants over the next 15 years as contributions are made to the plan. Through the various company stock ownership plans, employees of Anheuser-Busch will control approximately 10% of the company's outstanding common stock.

In accordance with generally accepted accounting principles, the unpaid principal portion of the ESOP debt is reflected on the company's balance sheet as long-term debt with an equal, offsetting reduction to Shareholders Equity. In addition, total ESOP expense is allocated to interest expense and compensation expense based upon the ratio of interest and principal payments on the debt.

In June 1989, the company purchased 12.5 million shares of company stock, via a "Dutch Auction" self-tender at $44.00 per share, for a total cost of $550 million. These common stock purchases were made in order to offset the earnings per share dilution which would have otherwise resulted from the sale of shares to the ESOP by the company.

CAPITAL EXPENDITURES/ DEPRECIATION AND AMORTIZATION

(In millions of $)



CAPITAL EXPENDITURES

The company has a formalized and intensive review procedure for all capital expenditures. The most important measure of acceptability of a capital project is its projected discounted cash flow return on investment.

Capital expenditures in 1990 amounted to $899 million as compared with $1.1 billion in 1989. During the past five years, capital expenditures totaled $4.6 billion.

Capital expenditures for 1990 for the company's beer and beer-related operations were $722.4 million. Major expenditures by the company's brewing subsidiary included continuing construction of the company's new brewery in Cartersville, Ga., and numerous modernization projects designed to improve productivity at all breweries.

The remaining 1990 capital expenditures totaling $176.5 million were made by the company's food products and entertainment operations. Major expenditures include numerous Campbell Taggart and Eagle Snacks modernization and productivity improvement projects, as well as new Busch Entertainment and Sea World attractions.

The company expects its capital expenditures in 1991 to approximate $800 million. Capital expenditures during the five-year period 1991-1995 are expected to approximate $3.5 billion.

ENVIRONMENTAL MATTERS

The company is subject to federal, state and local environmental protection laws and regulations and is operating within such laws or is taking action aimed at assuring compliance with such laws and regulations. Compliance with these laws and regulations is not expected to materially affect the company's competitive position. The company has not been identified as a potentially responsible party at an Environmental Protection Agency designated clean-up site which could have a material impact on the company's consolidated financial statements.

The company has paid dividends in each of the past 58 years. During that time, company stock has split on seven different occasions and stock dividends were paid three times.

DIVIDENDS

Cash dividends paid to common shareholders were $265.0 million in 1990 and $226.2 million in 1989. Dividends on common stock are paid in the months of March, June, September and December of each year. In the second quarter of 1990, effective with the September dividend, the Board of Directors increased the quarterly dividend rate by 13.6%, from $.22 to $.25 per share. Annual dividends per common share increased 17.5% in 1990 to $.94 per share compared to $.80 per share in 1989. In 1990, dividends were $.22 for each of the first two quarters and $.25 for the last two quarters, as compared to $.18 for the first two quarters and $.22 for the last two quarters of 1989.

The company has paid dividends in each of the past 58 years. During that time company stock has split on seven different occasions and stock dividends were paid three times.

At December 31, 1990, common shareholders of record numbered 65,991 compared with 66,709 at the end of 1989.

PRICE RANGE OF COMMON STOCK

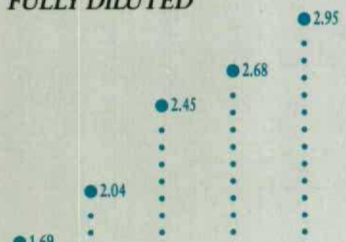
The company's common stock is listed on the New York Stock Exchange (NYSE) under the symbol "BUD." The table below summarizes the high and low closing prices on the NYSE.

PRICE RANGE OF COMMON STOCK

	1990		1989	
QUARTER	HIGH	LOW	HIGH	LOW
First	39-3/4	34-1/4	35-1/2	30-5/8
Second	44-3/8	36-3/8	44-1/8	35-1/2
Third	45	36	45-7/8	40
Fourth	43-3/8	35-1/2	43-1/4	36-3/8

The closing price of the company's common stock at December 31, 1990 and 1989 was $43.00 and $38-1/2, respectively.

EARNINGS PER SHARE—FULLY DILUTED



COMMON STOCK AND OTHER SHAREHOLDERS EQUITY

Shareholders equity was $3.68 billion at December 31, 1990, as compared with $3.10 billion at December 31, 1989. The increase in 1990 equity represents the retention of $577 million of earnings in the business and the reduction in ESOP debt, offset by the effect of treasury share repurchases. The book value of each common share of stock at December 31, 1990 was $13.03, as compared to $10.95 at December 31, 1989.

In 1990, the return on average shareholders equity was 24.9% as compared with 24.7% in 1989.

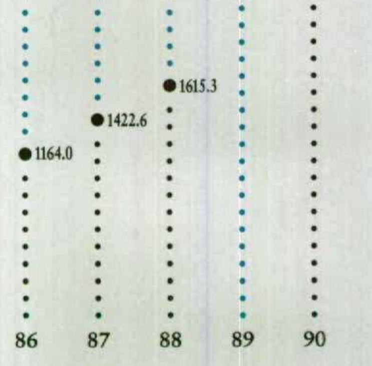
The Board of Directors has approved various resolutions in recent years authorizing the company to repurchase shares of its common stock to meet the requirements of the company's various stock purchase and savings plans. The company has acquired 2,422,700, 2,236,400 and 13,671,800 shares of common stock in 1990, 1989 and 1988 for $86.3, $74.4 and $416.9 million, respectively. These purchases exclude the "Dutch Auction" self-tender previously described. At December 31, 1990, approximately 7 million shares were available for repurchase under existing Board of Directors resolutions.

In December 1989 the company completed its previously announced secondary offering which resulted in the sale of 7.8 million shares of common stock at $36-5/8 per share. The shares became available as a result of the termination of the Busch family trusts and were sold through the secondary offering in order to allow for an orderly distribution into the marketplace. Anheuser-Busch did not receive any of the sale proceeds associated with the secondary offering and the offering did not result in an increase in the number of shares of Anheuser-Busch common stock outstanding.

INFLATION

General inflation has not had a significant impact on the company over the past three years nor is it expected to have a significant impact in the foreseeable future. Comments concerning increases in the company's raw material costs as a result of the 1988 summer drought are contained within the Cost of Products and Services segment of this discussion. Additionally, the company cannot accurately predict the availability of oil or the impact of fluctuating oil prices on the company due to the situation in the Middle East. However, it is not expected that oil availability or price fluctuations will have a material impact on the consolidated financial statements.

SHAREHOLDERS EQUITY/ LONG-TERM DEBT
(In millions of $)



RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Anheuser-Busch Companies, Inc. is responsible for the financial statements and other information included in this annual report. Management has selected those generally accepted accounting principles it considers appropriate to prepare the financial statements and other data contained herein.

The company maintains accounting and reporting systems, supported by an internal accounting control system, which management believes are adequate to provide reasonable assurances that assets are safeguarded against loss from unauthorized use or disposition and financial records are reliable for preparing financial statements. During 1990, the company's internal auditors, in conjunction with Price Waterhouse, its independent accountants, performed a comprehensive review of the adequacy of the company's internal accounting control system. Based on the comprehensive review, it is management's opinion that the company has an effective system of internal accounting control.

The Audit Committee of the Board of Directors, which consists of seven non-management directors, oversees the company's financial reporting and internal control systems, recommends selection of the company's public accountants and meets with the public accountants and internal auditors to review the overall scope and specific plans for their respective audits. The Committee held four meetings during 1990. A more complete description of the functions performed by the Audit Committee can be found in the company's Proxy Statement.

The report of Price Waterhouse on its examinations of the consolidated financial statements of the company appears on page 45.

Price Waterhouse

One Boatmen's Plaza
St. Louis, MO 63101

February 4, 1991

To the Shareholders and Board of Directors of
Anheuser-Busch Companies, Inc.

In our opinion, the accompanying Consolidated Balance Sheet and the related Consolidated Statements of Income, Changes in Shareholders Equity and Cash Flows present fairly, in all material respects, the financial position of Anheuser-Busch Companies, Inc. and its subsidiaries at December 31, 1990 and 1989, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1990, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse

CONSOLIDATED BALANCE SHEET

Anheuser-Busch Companies, Inc., and Subsidiaries

ASSETS (In millions)

DECEMBER 31,	*1990*	*1989*
CURRENT ASSETS:		
Cash and marketable securities	$ 95.3	$ 36.4
Accounts and notes receivable, less allowance for doubtful accounts of $6.2 in 1990 and $4.2 in 1989	562.6	527.8
Inventories—		
Raw materials and supplies	344.7	314.6
Work in process	104.7	99.0
Finished goods	117.8	118.1
Total inventories	567.2	531.7
Other current assets	201.2	181.0
Total current assets	1,426.3	1,276.9
INVESTMENTS AND OTHER ASSETS:		
Investments in and advances to affiliated companies	100.8	87.4
Investment properties	151.4	141.1
Deferred charges and other non-current assets	358.4	312.2
Excess of cost over net assets of acquired businesses, net	533.6	536.8
	1,144.2	1,077.5
PLANT AND EQUIPMENT:		
Land	307.7	289.6
Buildings	2,825.2	2,683.1
Machinery and equipment	6,080.3	5,504.2
Construction in progress	803.5	711.0
	10,016.7	9,187.9
Accumulated depreciation	(2,952.9)	(2,516.6)
	7,063.8	6,671.3
	$ 9,634.3	$9,025.7

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 51-63 of this report.

LIABILITIES AND SHAREHOLDERS EQUITY (In millions)

DECEMBER 31,	*1990*	*1989*
CURRENT LIABILITIES:		
Current portion of long-term debt	$ —	$ 104.0
Accounts payable	711.2	608.0
Accrued salaries, wages and benefits	247.3	212.0
Accrued interest payable	72.3	60.2
Due to customers for returnable containers	44.6	42.2
Accrued taxes, other than income taxes	71.5	65.4
Estimated income taxes	79.2	40.0
Other current liabilities	185.8	170.8
Total current liabilities	1,411.9	1,302.6
LONG-TERM DEBT	3,147.1	3,307.3
DEFERRED INCOME TAXES	1,396.2	1,315.9
COMMON STOCK AND OTHER SHAREHOLDERS EQUITY:		
Common stock, $1.00 par value, authorized 400.0 shares	335.7	333.9
Capital in excess of par value	558.9	507.2
Retained earnings	4,563.3	3,985.9
Foreign currency translation adjustment	29.3	9.7
	5,487.2	4,836.7
Treasury stock, at cost	(1,323.1)	(1,236.8)
ESOP debt guarantee offset	(485.0)	(500.0)
	3,679.1	3,099.9
COMMITMENTS AND CONTINGENCIES	—	—
	$9,634.3	$9,025.7

CONSOLIDATED STATEMENT OF INCOME

Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions, except per share data)

YEAR ENDED DECEMBER 31,	*1990*	*1989*	*1988*
Sales	$11,611.7	$10,283.6	$9,705.1
Less federal and state excise taxes	868.1	802.3	781.0
Net sales	10,743.6	9,481.3	8,924.1
Cost of products and services	7,093.5	6,275.8	5,825.5
Gross profit	3,650.1	3,205.5	3,098.6
Marketing, distribution and administrative expenses	2,051.1	1,876.8	1,834.5
Operating income	1,599.0	1,328.7	1,264.1
Other income and expenses:			
Interest expense	(283.0)	(177.9)	(141.6)
Interest capitalized	54.6	51.5	44.2
Interest income	7.0	12.6	9.8
Other income/(expense), net	(25.5)	11.8	(16.4)
Income before income taxes	1,352.1	1,226.7	1,160.1
Provision for income taxes:			
Current	429.9	357.0	397.2
Deferred	79.8	102.5	47.0
	509.7	459.5	444.2
NET INCOME	$ 842.4	$ 767.2	$ 715.9
EARNINGS PER SHARE:			
Primary	$ 2.96	$ 2.68	$ 2.45
Fully diluted	$ 2.95	$ 2.68	$ 2.45

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 51-63 of this report.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

Anheuser-Busch Companies, Inc., and Subsidiaries

SHAREHOLDERS EQUITY *(In millions, except per share data)*

	COMMON STOCK	CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	TREASURY STOCK	ESOP DEBT GUARANTEE OFFSET	FOREIGN CURRENCY TRANSLATION ADJUSTMENT
BALANCE AT DECEMBER 31, 1987 . . .	$326.9	$332.4	$2,917.6	$ (695.5)	$ —	$10.8
Net income			715.9			
Common dividends ($.66 per share) . .			(188.6)			
Shares issued under stock plans	4.1	96.1				
Treasury stock acquired				(416.9)		
Foreign currency translation adjustment						.1
BALANCE AT DECEMBER 31, 1988 . . .	331.0	428.5	3,444.9	(1,112.4)	—	10.9
Net income			767.2			
Common dividends ($.80 per share) . .			(226.2)			
Shares issued under stock plans	2.9	78.7				
Shares issued to ESOP				500.0	(500.0)	
Treasury stock acquired				(624.4)		
Foreign currency translation adjustment						(1.2)
BALANCE AT DECEMBER 31, 1989	333.9	507.2	3,985.9	(1,236.8)	(500.0)	9.7
Net income			842.4			
Common dividends ($.94 per share) . .			(265.0)			
Shares issued under stock plans	1.8	51.7				
Reduction of ESOP debt guarantee . .					15.0	
Treasury stock acquired				(86.3)		
Foreign currency translation adjustment						19.6
BALANCE AT DECEMBER 31, 1990 . . .	$335.7	$558.9	$4,563.3	$(1,323.1)	$(485.0)	$29.3

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 51-63 of this report.

CONSOLIDATED STATEMENT OF CASH FLOWS

Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions)

YEAR ENDED DECEMBER 31,	*1990*	*1989*	*1988*
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income	$ 842.4	$ 767.2	$ 715.9
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	495.7	410.3	359.0
Increase in deferred income taxes	80.3	103.4	48.2
Decrease/(increase) in non-cash working capital	122.8	(90.6)	19.3
Other, net	(24.3)	(50.2)	(45.7)
Cash provided by operating activities	1,516.9	1,140.1	1,096.7
CASH FLOW FROM INVESTING ACTIVITIES:			
Capital expenditures	(898.9)	(1,076.7)	(950.5)
Sale of businesses	—	—	137.2
Business acquisitions	(12.1)	(1,117.9)	(12.3)
Cash used for investing activities	(911.0)	(2,194.6)	(825.6)
CASH FLOW FROM FINANCING ACTIVITIES:			
Increase in long-term debt	178.6	1,328.3	346.6
Decrease in long-term debt	(427.8)	(32.3)	(153.9)
Dividends paid to stockholders	(265.0)	(226.2)	(188.6)
Acquisition of treasury stock	(86.3)	(624.4)	(416.9)
Shares issued to ESOP	—	500.0	—
Shares issued under stock plans	53.5	81.6	100.2
Cash provided by/(used for) financing activities	(547.0)	1,027.0	(312.6)
Net increase/(decrease) in cash and marketable securities during the year	58.9	(27.5)	(41.5)
Cash and marketable securities at beginning of year	36.4	63.9	105.4
Cash and marketable securities at end of year	$ 95.3	$ 36.4	$ 63.9

The accompanying statements should be read in conjunction with the Notes to Consolidated Financial Statements appearing on pages 51-63 of this report.

1–SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

This summary of significant accounting principles and policies of Anheuser-Busch Companies, Inc. and its subsidiaries is presented to assist the reader in evaluating the company's financial statements included in this report. These principles and policies conform to generally accepted accounting principles.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the company and all its subsidiaries. All significant intercompany transactions have been eliminated.

FOREIGN CURRENCY TRANSLATION

Exchange adjustments resulting from foreign currency transactions are recognized in income, whereas adjustments resulting from the translation of financial statements are reflected as a separate component of shareholders equity.

EXCESS OF COST OVER NET ASSETS OF ACQUIRED BUSINESSES

The excess of the cost over the net assets of acquired businesses is amortized on a straight-line basis over a period of 40 years. Accumulated amortization at December 31, 1990 and 1989 was $35.1 million and $20.9 million, respectively.

INVENTORIES AND PRODUCTION COSTS

Inventories are valued at the lower of cost or market. Cost is determined under the last-in, first-out method for substantially all brewing inventories and under the first-in, first-out method for substantially all food product inventories.

PLANT AND EQUIPMENT

Plant and equipment is carried at cost and includes expenditures for new facilities and those which substantially increase the useful lives of existing plant and equipment. Maintenance, repairs and minor renewals are expensed as incurred. When properties are retired or otherwise disposed, the related cost and accumulated depreciation are eliminated from the respective accounts and any profit or loss on disposition is reflected in income.

Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets (buildings 2% to 10% and machinery and equipment 4% to 25%).

CAPITALIZATION OF INTEREST

Interest relating to the cost of acquiring certain fixed assets is capitalized. The capitalized interest is included as part of the cost of the related asset and is amortized over its estimated useful life.

INCOME TAXES

The provision for income taxes is based on elements of income and expense as reported in the Consolidated Statement of Income. The company has elected to utilize certain provisions of federal income tax laws and regulations to reduce current taxes payable. Deferred income taxes are recognized for the effect of timing differences between financial and tax reporting.

In December 1987, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 96 (FAS 96), "Accounting for Income Taxes," which requires the use of an asset and liability approach in accounting for the effects of income taxes that result from activities during the current and preceding years. Adoption of the Statement (which was originally required by 1989) has been delayed to 1992. The FASB is currently considering requests to amend FAS 96 to simplify the calculation, to change the criteria for recognition and measurement of deferred tax assets and to delay the required adoption date to 1993. Adoption of the Statement can be made by either restating previously issued financial statements or by recording a one-time adjustment to earnings. Management has not yet made a decision as to when FAS 96 will be adopted or the adoption methodology which will be utilized. Had the company adopted this Statement in 1990 in its present form, retained earnings would have increased and the deferred income tax liability would have decreased by approximately $130 million at December 31, 1990.

FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET AND CONCENTRATION OF CREDIT RISK

The company is party to certain financial instruments with off-balance-sheet risk incurred in the normal course of business. These financial instruments include financial guarantees, foreign currency forward contracts and foreign currency interest payment swaps. The company's exposure to credit loss in the event of non-performance by the counterparty to these financial instruments is not material.

The company does not have a material concentration of accounts receivable or credit risk.

RESEARCH AND DEVELOPMENT, ADVERTISING, PROMOTIONAL COSTS AND INITIAL PLANT COSTS

Research and development, advertising, promotional costs and initial plant costs are expensed in the year in which these costs are incurred.

EARNINGS PER SHARE

Earnings per share of common stock are based on the weighted average number of shares of common stock outstanding during the respective years as shown below (in millions):

	1990	*1989*	*1988*
Primary weighted average shares	284.6	286.2	292.2
Fully diluted weighted average shares	289.7	286.2	292.2

Primary earnings per share of common stock are based on the weighted average number of shares of common stock outstanding during the year.

Fully diluted earnings per share of common stock assume the conversion of the company's 8% convertible debentures due 1996 and the elimination of the related after-tax interest expense.

2–ACQUISITION

On December 1, 1989, Busch Entertainment Corporation (the company's entertainment subsidiary) purchased from Harcourt Brace Jovanovich, Inc. (HBJ) 100% of the stock of the companies of HBJ which owned four Sea World parks, two other theme parks and certain land holdings. The purchase price was $975 million for the theme parks for a total of $1.1 billion including the land. The agreement also provides that Harcourt Brace Jovanovich, Inc. will receive a 50% participation (up to a maximum participation of $100 million) in the net sales proceeds received by the company over the next 10 years in excess of $100 million, plus carrying costs, from the sale of certain parcels of undeveloped land included in the purchase.

The acquisition has been accounted for using the purchase method of accounting. The acquired assets and liabilities have been recorded in the company's financial statements at their estimated fair market values at the acquisition date. The excess cost of the acquisition over the estimated fair market value of the net assets acquired is amortized on a straight-line basis over 40 years. The Consolidated Statement of Income includes the operations of the acquired theme parks from December 1, 1989.

Following are pro forma combined results of operations for Anheuser-Busch Companies, Inc. for the years ended December 31, 1989 and 1988, assuming the acquisition had occurred on January 1, 1988. The results are not necessarily indicative of what would have occurred had the acquisition been consummated as of January 1, 1988, or of future operations of the combined companies. The results are based on purchase accounting adjustments and include additional interest expense as if funds borrowed in connection with the acquisition had been outstanding from the beginning of each year.

	Pro Forma (Unaudited) Year Ended December 31,	
	1989	*1988*
Net Sales	$9,835.5	$9,315.9
Net Income	$ 749.5	$ 686.3
Net Income Per Share	$ 2.62	$ 2.35

3–INVENTORY VALUATION

Approximately 68% and 67% of total inventories at December 31, 1990 and 1989, respectively, are stated on the last-in, first-out (LIFO) inventory valuation method. Had average-cost (which approximates replacement cost) been used with respect to such items at December 31, 1990 and 1989, total inventories would have been $102.7 million and $124.2 million higher, respectively.

4–CREDIT AGREEMENTS

In connection with the acquisition of Sea World, the company entered into a 60-day line of credit agreement with four domestic banks totaling $700 million ($200 million of this credit agreement expired on December 31, 1989 and $500 million expired on January 31, 1990). In December 1989, $440 million was borrowed under this agreement for a period of 15 days at a weighted average interest rate of 8.5%. The agreement provided for varying loan arrangements with differing maturities and among a variety of interest rates. At December 31, 1989 (and during January 1990), the company had no outstanding borrowings under this agreement. Fees for this agreement amounted to $.1 million in 1990 and 1989.

The company has in place revolving credit agreements totaling $500 million. The agreements, which expire in 1993, provide that the company may select among various loan arrangements with differing maturities and among a variety of interest rates, including a negotiated rate. At December 31, 1990 and 1989, the company had no outstanding borrowings under these agreements. Fees under these agreements amounted to $.6 million in 1990, $.6 million in 1989 and $.8 million in 1988.

In September 1989, the company entered into a four-year credit facility in Spain with 10 local banks totaling 9.5 billion pesetas (approximately $100 million). The agreement provides that the company can borrow at a predetermined spread over the Madrid Inter-Bank Offered Rate (MIBOR). The primary purpose of the facility is to provide interim financing of costs associated with the company's proposed development of a theme park and resort complex in Spain. Amounts outstanding under this facility at December 31, 1990 and 1989 were 2.8 billion pesetas (approximately $30 million) and 1.5 billion pesetas (approximately $14 million), respectively.

5–LONG-TERM DEBT

Long-term debt at December 31 consisted of the following (in millions):

	1990	*1989*
Commercial paper	$ 305.8	$ 484.0
Medium-term Notes Due 1991 to 2001 (interest from 7.4% to 9.0%)	135.0	5.0
6% Dual Currency Swiss Franc Bonds Due 1991/1994	109.3	107.5
9-1/8% Notes Due 1992	100.0	100.0
11-1/8% Notes Due 1993	—	100.0
8-7/8% Notes Due September 1, 1994	100.0	100.0
8.0% Dual Currency Japanese Yen/U.S. Dollar Notes Due 1995	52.3	51.6
8-3/4% Notes Due July 15, 1995	100.0	—
8% Notes Due October 1, 1996	100.0	100.0
8% Convertible Debentures Due 1996	241.4	241.7
8-3/4% Notes Due 1999	250.0	250.0
9% Debentures Due 2009	350.0	350.0
ESOP Debt Guarantee	485.0	500.0
Sinking Fund Debentures	673.1	759.8
Industrial Revenue Bonds	89.5	94.4
Other Long-term Debt	55.7	63.3
	$3,147.1	$3,307.3

The company's sinking fund debentures at December 31 are as follows (in millions):

	1990	1989
5.45% debentures maturing 1984 to 1991	$ —	$ 2.2
6% debentures maturing 1984 to 1992	5.5	9.5
7.95% debentures maturing 1985 to 1999	61.0	61.3
9.20% debentures maturing 1986 to 2005	114.0	121.2
8.55% debentures maturing 1989 to 2008	85.6	91.2
8-5/8% debentures maturing 1997 to 2016	150.0	150.0
8-1/2% debentures maturing 1998 to 2017	150.0	150.0
10% debentures maturing 1999 to 2018	200.0	200.0
Less: debentures held in treasury	(93.0)	(25.6)
	$673.1	$759.8

Shelf registration statements filed with the Securities and Exchange Commission (SEC) in 1989 and previous years established debt securities in the amount of $1 billion available for issuance from time to time. As of December 31, 1990, $165 million of this debt remained available for issuance.

In addition, in 1989 the company registered with the SEC $300 million of seven-year convertible debentures as part of its Wholesaler Investment Program. The debentures may be held by a qualified, independently-owned wholesaler (and certain related parties) and may be converted into a 5% convertible preferred stock, par value $1.00, at a conversion price of $47.60 per share. Each share of the convertible preferred stock may be converted into one share of the company's common stock. The convertible debentures and convertible preferred stock are subject to mandatory redemption at the end of seven years, optional redemption/repurchase at the company's or holder's discretion after three years, and special redemption/repurchase based upon the occurrence of certain events with respect to particular holders.

In 1990, the company entered into an interest rate cap program on $400 million of floating rate borrowings. The program provides an interest rate ceiling on the yield of certain short-term interest rates through April 1992 to minimize the company's exposure to rising interest rates.

At December 31, 1990 and 1989 there was $305.8 million and $484.0 million, respectively, of commercial paper borrowings outstanding classified as long-term debt. The commercial paper is intended to be maintained on a long-term basis with ongoing credit provided by the company's $500 million revolving credit agreements.

Certain foreign currency denominated debt of the company was issued at a premium or discount from the redemption value or subsequently converted into a U.S. dollar liability resulting in effective interest rates different than the stated rates. For the dual currency Swiss Franc and Japanese Yen issues, these agreements result in an effective U.S. dollar rate of 8% and 10%, respectively, as compared to stated rates of 6% and 8%, respectively. The company has fully hedged its foreign currency exposure for interest and principal payments related to all foreign currency denominated debt issues through agreements with various lending institutions.

The aggregate maturities on all long-term debt are $16.6, $122.1, $89.8, $236.5 and $181.2 million, respectively, for each of the years ending December 31, 1991 through 1995. These aggregate maturities do not include the future maturities of the ESOP debt guarantee.

6–STOCK OPTION PLANS

The company has an Incentive Stock Option / Non-Qualified Stock Option Plan and a Non-Qualified Stock Option Plan for certain qualified employees. Under the terms of the Plans, options may be granted at not less than the fair market value of the shares at the date of grant. The Non-Qualified Stock Option Plan provides that optionees may be granted Stock Appreciation Rights (SARs) in tandem with stock options. The exercise of a SAR cancels the related option and the exercise of an option cancels the related SAR. At December 31, 1990 and 1989, a total of 13,672,348 and 15,805,630 shares, respectively, were reserved for possible future issuance under the Plans.

In April 1990, the shareholders approved an Incentive Stock Plan for certain qualified employees. The Plan provides for the grant of options, SARs, Restricted Stock and Other Stock Interests. Under the terms of the Plan, options may be granted at not less than the fair market value of the shares at the date of grant. At December 31, 1990 and 1989, a total of 11,982,231 and 12,000,000 shares, respectively, were reserved for future issuance under the Plan.

Presented below is a summary of activity for the Plans for the years ended December 31:

	1990	*1989*
Options outstanding at beginning of the year	17,003,506	12,417,096
Options granted during the year	951,046	8,200,783
Options exercised during the year	(2,405,586)	(3,449,197)
Options cancelled during the year	(291,212)	(165,176)
Options outstanding at end of the year	15,257,754	17,003,506
Options exercisable at end of the year	9,101,998	6,976,631
Option price range per share	$6.80-$43.06	$6.80-$42.38

The Plans provide for acceleration of exercisability of the options upon the occurrence of certain events relating to a change of control, merger, sale of assets or liquidation of the company (Acceleration Events). The Non-Qualified Plan and the Incentive Stock Plan also provide that optionees may be granted Limited Stock Appreciation Rights (LSARs). LSARs become exercisable, in lieu of the option or SAR, upon the occurrence, six months following the date of grant, of an Acceleration Event and entitle the holder to a cash payment per share equivalent to the excess of the share value (under terms of the LSAR) over the grant price. As of December 31, 1990 and 1989, there were 3,057,307 and 3,530,158, respectively, of LSARs outstanding.

7–EMPLOYEE STOCK OWNERSHIP PLAN

In 1989, the company established an Employee Stock Ownership Plan (ESOP) feature for its existing Deferred Income Stock Purchase and Savings Plans. Approximately 60% of all salaried and hourly employees are eligible for participation in the ESOP. Under the ESOP feature, the plans borrowed $500 million for a term of 15 years at an interest rate of 8.3% and used the proceeds to buy approximately 11.3 million shares of common stock from the company. The ESOP debt is guaranteed by the company and the related shares are being allocated to participants over 15 years as contributions are made to the plan.

The company recognizes ESOP expense each year based on cash contributions committed to be made to the plans, which is substantially equivalent to the Shares Outstanding Method. Company cash contributions are determined based upon the ESOP's total debt service less certain employee contributions and dividends on ESOP shares not yet allocated to participants. In 1990 and 1989 the company recognized $41.9 million and $16.1 million, respectively, in ESOP-related expense which was allocated to interest expense ($27.0 million and $11.1 million, respectively) and compensation expense ($14.9 million and $5.0 million, respectively) based upon the ratio of interest and principal payments on the ESOP debt. Company cash contributions to the ESOP were $30.7 million and $8.7 million in 1990 and 1989, respectively. Dividends on ESOP shares to be used for debt service approximated $9.8 million in 1990 and $4.9 million in 1989.

8–RETIREMENT BENEFITS

The company has pension plans covering substantially all of its employees. Total pension expense for each of the three years ended December 31 is presented below (in millions):

	1990	*1989*	*1988*
Single-employer Defined Benefit Plans	$ (8.7)	$ (8.1)	$ (8.1)
Multi-employer Plans	46.8	43.4	40.4
Defined Contribution Plans	10.4	8.4	8.1
	$ 48.5	$ 43.7	$ 40.4

Net pension benefit for single-employer defined benefit plans was comprised of the following for the year ended December 31 (in millions):

	1990	*1989*	*1988*
Service cost (benefits earned during the period)	$ 29.5	$ 28.4	$ 27.5
Interest cost on projected benefit obligation	49.2	44.3	41.5
Return on assets:			
Actual return	3.7	(149.9)	(69.4)
Deferred actuarial gain/(loss)	(75.9)	83.4	6.8
Assumed return	(72.2)	(66.5)	(62.6)
Amortization of prior service cost, actuarial gains/losses and the excess of market value of plan assets over projected benefit obligation at January 1, 1986	(15.2)	(14.3)	(14.5)
Net pension benefit	$ (8.7)	$ (8.1)	$ (8.1)

The assumed discount rate, the weighted-average rate of compensation increase used to measure the projected benefit obligation, and the expected long-term rate of return on plan assets were 10.0% (9.0% for 1989 and 1988), 6.5% and 9.0%, respectively.

The following table sets forth the funded status of all company single-employer defined benefit plans (underfunded plans are not material) at December 31 (in millions):

	1990	*1989*
Plan assets at fair market value—primarily corporate equity securities and publicly traded bonds	$883.3	$902.7
Accumulated benefit obligation:		
Vested benefits	(428.9)	(382.3)
Nonvested benefits	(38.5)	(33.7)
Accumulated benefit obligation	(467.4)	(416.0)
Effect of projected compensation increases	(75.4)	(86.6)
Projected benefit obligation	(542.8)	(502.6)
Plan assets in excess of projected benefit obligation	$340.5	$400.1

	1990	*1989*
Plan assets in excess of projected benefit obligation consist of the following components:		
Unamortized excess of market value of plan assets over projected benefit obligation at January 1, 1986 being amortized over 15 years	$152.4	$172.8
Unrecognized net actuarial gains	77.6	147.4
Prior service costs	(17.8)	(19.1)
Prepaid pension	128.3	99.0
	$340.5	$400.1

The assumptions used in determining the funded status of these plans as of December 31, 1990 and 1989 were a weighted-average rate of compensation increase of 6.5% and a discount rate of 10.0%.

Contributions to multi-employer plans in which the company and its subsidiaries participate are determined in accordance with the provisions of negotiated labor contracts and are based on employee-hours worked.

In December 1990, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 106 (FAS 106), "Employers' Accounting for Postretirement Benefits Other Than Pensions." This standard requires the recognition of postretirement benefits, including health and welfare benefits, on an accrual basis. The company provides health care and life insurance benefits to certain retired employees who attain specified age and years of service requirements. The cost of such benefits is currently recognized as claims are paid. Adoption of FAS 106 is required by 1993 and permits a choice of adoption methodologies. Management has not yet made a decision as to which year FAS 106 will be adopted or the adoption methodology to be utilized for the transitional obligation (a one-time adjustment to earnings or amortization over 20 years). Management is currently in the process of evaluating the financial accounting impact of FAS 106 on the company.

9–INCOME TAXES

The provision for income taxes includes the following for each of the three years ended December 31 (in millions):

	1990	*1989*	*1988*
Current Tax Provision:			
Federal	$353.6	$293.7	$330.5
State and foreign	76.3	63.3	66.7
	429.9	357.0	397.2
Deferred Tax Provision:			
Federal	74.9	94.1	45.4
State and foreign	4.9	8.4	1.6
	79.8	102.5	47.0
	$509.7	$459.5	$444.2

The deferred tax provision results from timing differences in the recognition of income and expense for tax and financial reporting purposes. The primary difference is the calculation of depreciation for tax purposes using accelerated methods and shorter lives (tax effect of $112.6 million in 1990, $86.3 million in 1989 and $70.1 million in 1988).

The company's effective tax rate was 37.7% in 1990, 37.5% in 1989 and 38.3% in 1988. A reconciliation between the statutory rate and the effective rate is presented below:

	1990	*1989*	*1988*
Statutory rate	34.0%	34.0%	34.0%
State income taxes, net of federal benefit	3.6	3.4	3.4
Other	.1	.1	.9
Effective tax rate	37.7%	37.5%	38.3%

10–CASH FLOWS

For purposes of the Statement of Cash Flows, all short-term investments with maturities of 90 days or less are considered cash equivalents. Such amounts include marketable securities of $14.2 million in 1990 and $16.3 million in 1989. The effect of foreign currency exchange rate fluctuations was not material for any of the years ended December 31, 1990, 1989 and 1988.

Supplemental information with respect to the Statement of Cash Flows is presented below:

	1990	*1989*	*1988*
Interest paid, net of capitalized interest	$216.3	$115.7	$ 87.6
Income taxes paid	359.8	374.8	369.8
Excise taxes paid	868.1	802.3	781.0
CHANGES IN NON-CASH WORKING CAPITAL			
Decrease/(increase) in non-cash current assets:			
Accounts receivable	$ (34.8)	$ (64.7)	$ (67.4)
Inventories	(35.5)	(19.5)	(53.8)
Other current assets	(20.2)	(25.9)	30.0
Increase/(decrease) in current liabilities:			
Accounts payable	103.2	39.3	27.7
Accrued salaries, wages and benefits	35.3	(17.4)	32.0
Accrued interest payable	12.1	10.7	9.8
Due to customers for returnable containers	2.4	1.5	2.3
Accrued taxes, other than income taxes	6.1	5.3	(2.6)
Estimated income taxes	39.2	(35.2)	18.0
Other current liabilities	15.0	15.3	23.3
Decrease/(increase) in non-cash working capital	$122.8	$ (90.6)	$ 19.3

11–PREFERRED AND COMMON STOCK

STOCK ACTIVITY

Activity in the company's stock categories for each of the three years ended December 31 is summarized below:

	COMMON STOCK ISSUED	COMMON STOCK IN TREASURY
BALANCE, DECEMBER 31, 1987	326,876,880	(33,877,606)
Shares issued under stock plans	4,078,794	
Treasury stock acquired		(13,671,800)
BALANCE, DECEMBER 31, 1988	330,955,674	(47,549,406)
Shares issued under stock plans	2,986,140	
Treasury stock acquired		(14,736,400)
Shares issued to ESOP		11,331,446
BALANCE, DECEMBER 31, 1989	333,941,814	(50,954,360)
Shares issued under stock plans	1,741,499	
Treasury stock acquired		(2,422,700)
BALANCE, DECEMBER 31, 1990	335,683,313	(53,377,060)

In late 1989, the company, on behalf of several Busch family members and various Busch family trust funds, completed a secondary offering of 7.8 million shares of common stock at a price of $36-5/8 per share. The shares became available as a result of the death of August A. Busch, Jr. and were sold through a secondary offering sponsored by the company in order to effect an orderly distribution into the marketplace. The company did not receive any of the proceeds from the sale of these shares.

At December 31, 1990 and 1989, 40,000,000 shares of $1.00 par value preferred stock were authorized and unissued.

STOCK REPURCHASE PROGRAMS

The Board of Directors has approved various resolutions in recent years authorizing the company to purchase shares of its common stock for investment purposes and to meet the requirements of the company's various stock purchase and incentive plans. The company has acquired 2,422,700, 2,236,400 and 13,671,800 shares of common stock in 1990, 1989 and 1988 for $86.3, $74.4 and $416.9 million, respectively. At December 31, 1990, approximately 7 million shares were available for repurchase under existing Board of Directors authorizations.

In addition to the resolutions referred to above, in 1989 the Board of Directors authorized the company to purchase 12.5 million shares of company stock through a "Dutch Auction" self-tender. The cost of the shares purchased via the tender was $44 a share for a total of $550 million. These purchases were primarily made to offset the earnings per share dilution which would have otherwise resulted from the issuance of shares to the ESOP by the company.

STOCKHOLDER RIGHTS PLAN

In 1985, the Board of Directors adopted a Stockholder Rights Plan pursuant to which the Board declared a dividend of one preferred stock purchase right on each outstanding share of common stock of the company. The rights have subsequently been amended in certain respects, and the description below reflects the terms of the rights as amended. After the rights become exercisable and until such time as the rights expire or are redeemed, they will entitle the holder to purchase one one-hundredth of a share of a new Series B Junior Participating Preferred Stock, par value $1.00 per share (4,000,000 shares were reserved for issuance at December 31, 1990 and 1989), at a purchase price of $50 per one one-hundredth of a share. The rights will become exercisable on the earlier to occur of (i) the tenth day following a public announcement that a person or group (an "Acquiring Person") has acquired 20% or more of the

common stock of the company or (ii) the tenth business day following the commencement of a tender offer or exchange offer by a third party which, upon consummation, would result in such party's control of 30% or more of the common stock of the company.

If, at any time after the rights have become non-redeemable, the company is the surviving corporation in a merger with an Acquiring Person and its common stock is not changed or exchanged, or an Acquiring Person becomes the beneficial owner of more than 30% of the then outstanding shares of common stock, each right will entitle the holder, other than the Acquiring Person, to purchase that number of shares of common stock of the company which has a market value of twice the exercise price of the right.

If, at any time after the rights have become non-redeemable, the company is acquired in a merger or other business combination transaction or 50% or more of its assets or earning power is sold, each right will entitle its holder to purchase that number of shares of common stock of the acquiring company which has a market value of twice the exercise price of the right.

The rights, which do not have voting rights, expire on December 18, 1995, and may be redeemed by the company at a price of 2-1/2 cents per right at any time prior to expiration or the date on which the company's Board of Directors permits the rights to become non-redeemable (subject to reinstatement in certain circumstances).

12–COMMITMENTS AND CONTINGENCIES

In connection with plant expansion and improvement programs, the company had commitments for capital expenditures of approximately $289.4 million at December 31, 1990.

Obligations under capital and operating leases are not material.

The company and certain of its subsidiaries are involved in certain claims and legal proceedings in which monetary damages and other relief are sought. The company is vigorously contesting these claims. However, resolution of these claims is not expected to occur quickly and their ultimate outcome cannot presently be predicted. In any event, it is the opinion of management that any liability of the company or its subsidiaries for claims or proceedings will not materially affect its financial position.

13–BUSINESS SEGMENTS

During 1989 and as a result of the acquisition of Sea World, the company redefined its principal business segments as compared to prior years. For 1990 and 1989, the company's principal business segments are beer and beer-related, food products and entertainment. The beer and beer-related segment produces and sells the company's beer products. Included in this segment are the company's raw material acquisition, malting, can manufacturing, recycling, communications and transportation operations.

The food products segment consists of the company's food and food-related operations which include the company's baking and snack food subsidiaries, certain rice operations and its yeast operations through June 3, 1988.

The entertainment segment consists of the company's theme parks, baseball, stadium and real estate development operations.

In 1988 the company's principal business segments were beer and beer-related, food products and diversified operations. The diversified operations segment consisted of the company's entertainment, real estate, communications and transportation operations. For 1990 and 1989, the communications and transportation operations are included in the beer and beer-related segment.

Sales between segments, export sales and non-United States sales are not material. The company's equity in earnings of affiliated companies has been included in other income and expense. No single customer accounted for more than 10% of sales.

Summarized below is the company's business segment information for 1990, 1989 and 1988 (in millions). Intra-segment sales have been eliminated from each segment's reported net sales.

	NET SALES		
	1990	*1989*	*1988*
Beer and Beer-Related	$ 8,151.2	$7,405.7	$6,902.0
Food Products	1,982.4	1,803.0	1,680.9
Entertainment	625.3	286.3	—
Diversified Operations	—	—	361.8
Eliminations	(15.3)	(13.7)	(20.6)
Consolidated	$10,743.6	$9,481.3	$8,924.1

	*OPERATING INCOME**			*IDENTIFIABLE ASSETS*		
	1990	*1989*	*1988*	*1990*	*1989*	*1988*
Beer and Beer-Related	$1,455.1	$1,244.7	$1,168.2	$6,342.4	$5,902.9	$5,102.4
Food Products	85.6	56.9	55.0	1,331.9	1,249.5	1,229.7
Entertainment	58.3	27.1	—	1,540.0	1,529.5	—
Diversified Operations	—	—	40.9	—	—	340.9
Corporate**	—	—	—	420.0	343.8	436.8
Consolidated	$1,599.0	$1,328.7	$1,264.1	$9,634.3	$9,025.7	$7,109.8

	*DEPRECIATION AND AMORTIZATION EXPENSE****			*CAPITAL EXPENDITURES*		
	1990	*1989*	*1988*	*1990*	*1989*	*1988*
Beer and Beer-Related	$ 351.5	$ 308.8	$ 252.9	$ 722.4	$ 846.6	$785.4
Food Products	84.7	77.5	70.7	95.8	120.2	100.9
Entertainment	59.5	24.0	—	80.7	109.9	—
Diversified Operations	—	—	35.4	—	—	64.2
Consolidated	$ 495.7	$ 410.3	$359.0	$ 898.9	$1,076.7	$950.5

**Operating income excludes other expense, net, which is not allocated among segments. For 1990, 1989 and 1988 other expense, net of $246.9, $102.0 and $104.0 million, respectively, includes net interest expense, other income and expense, and equity in earnings of affiliated companies.*

***Corporate assets principally include cash, marketable securities, investment in affiliated companies and certain fixed assets.*

****Consolidated depreciation and amortization expenses include $16.3, $13.0 and $12.4 million of depreciation expense related to corporate assets for 1990, 1989 and 1988, respectively.*

14–ADDITIONAL INFORMATION

Additional income statement information (in millions):

	1990	*1989*	*1988*
Maintenance	$395.8	$342.2	$327.2
Advertising costs	$613.6	$602.1	$625.0

Summarized below is selected financial information for Anheuser-Busch, Inc. (a wholly-owned subsidiary of Anheuser-Busch Companies, Inc.) as of and for the year ended December 31 (in millions):

	1990	*1989*	*1988*
Income Statement Information:			
Net sales	$7,346.4	$6,794.8	$6,436.0
Gross profit	2,568.8	2,325.7	2,260.9
Net income (1)	705.2	685.8	628.5
Balance Sheet Information:			
Current assets	567.2	569.7	
Non-current assets	9,020.5	8,528.2	
Current liabilities	634.0	745.3	
Non-current liabilities (1)	3,744.7	3,848.8	

(1) Anheuser-Busch, Inc. is co-obligor for all outstanding Anheuser-Busch Companies, Inc. indebtedness (excluding the ESOP debt guarantee). Accordingly, all such debt is included as an element of non-current liabilities and the interest thereon is included in the determination of net income.

15–QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial data for 1990 and 1989 (in millions, except per share data) appears below:

							EARNINGS PER SHARE			
	NET SALES		GROSS PROFIT		NET INCOME		PRIMARY		FULLY DILUTED	
	1990	*1989*	*1990*	*1989*	*1990*	*1989*	*1990*	*1989*	*1990*	*1989*
First quarter	$2,392.9	$2,205.1	$ 796.7	$ 733.4	$182.5	$167.1	$ .64	$ .58	$ .64	$ .58
Second quarter	2,778.7	2,479.8	966.6	863.6	257.5	233.7	.90	.82	.90	.82
Third quarter	2,888.7	2,486.5	1,010.9	880.2	260.7	238.3	.92	.83	.91	.83
Fourth quarter	2,683.3	2,309.9	875.9	728.3	141.7	128.1	.50	.45	.50	.45
Total year	$10,743.6	$9,481.3	$3,650.1	$3,205.5	$842.4	$767.2	$2.96	$2.68	$2.95	$2.68

FINANCIAL SUMMARY—OPERATIONS

Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions, except per share data)

	1990	*1989*	*1988*
CONSOLIDATED SUMMARY OF OPERATIONS			
Barrels sold	86.5	80.7	78.5
Sales	$11,611.7	$10,283.6	$9,705.1
Federal and state excise taxes	868.1	802.3	781.0
Net sales	10,743.6	9,481.3	8,924.1
Cost of products and services	7,093.5	6,275.8	5,825.5
Gross profit	3,650.1	3,205.5	3,098.6
Marketing, distribution and administrative expenses	2,051.1	1,876.8	1,834.5
Operating income	1,599.0	1,328.7	1,264.1
Interest expense	(283.0)	(177.9)	(141.6)
Interest capitalized	54.6	51.5	44.2
Interest income	7.0	12.6	9.8
Other income/(expense), net	(25.5)	11.8	(16.4)
Gain on sale of Lafayette plant	—	—	—
Income before income taxes	1,352.1	1,226.7	1,160.1
Income taxes	509.7	459.5	444.2
Net income	842.4	767.2	715.9
Per share—Primary	2.96	2.68	2.45
Per share—Fully diluted	2.95	2.68	2.45
Cash dividends paid:			
Common stock	265.0	226.2	188.6
Per share	.94	.80	.66
Preferred stock	—	—	—
Per share	—	—	—
Average number of common shares:			
Primary	284.6	286.2	292.2
Fully diluted	289.7	286.2	292.2

NOTES TO FINANCIAL SUMMARY—OPERATIONS

Note: All per share information and average number of common shares data reflect the September 12, 1986 two-for-one stock split and the June 14, 1985 three-for-one stock split. All amounts reflect the acquisition of Campbell Taggart, Inc. as of November 2, 1982 and the acquisition of Sea World as of December 1, 1989. Financial information prior to 1988 has been restated to reflect the adoption in 1988 of Financial Accounting Standards No. 94, Consolidation of Majority-Owned Subsidiaries.

(1) Effective January 1, 1986, the company adopted the provisions of Financial Accounting Standards No. 87 (FAS 87), Employers' Accounting For Pensions. The financial effect of FAS 87 adoption was to increase 1986 pretax income $45 million, net income $23 million and earnings per share $.08.

(2) Net income and net income per share include a nonrecurring gain on the sale of the corn refining plant in Lafayette, Indiana. This nonrecurring gain increased net income $13.3 million, primary earnings per share $.05 and fully diluted earnings per share $.04.

1987	1986	1985	1984	1983	1982	1981	1980
76.1	72.3	68.0	64.0	60.5	59.1	54.5	50.2
$9,110.4	$8,478.8	$7,756.7	$7,218.8	$6,714.7	$5,251.2	$4,435.9	$3,822.4
760.7	724.5	683.0	657.0	624.3	609.1	562.4	527.0
8,349.7	7,754.3	7,073.7	6,561.8	6,090.4	4,642.1	3,873.5	3,295.4
5,374.3	5,026.5	4,729.8	4,464.6	4,161.0	3,384.3	3,001.9	2,553.9
2,975.4	2,727.8	2,343.9	2,097.2	1,929.4	1,257.8	871.6	741.5
1,826.8	1,709.8	1,498.2	1,338.5	1,226.4	758.8	518.6	428.6
1,148.6	1,018.0	845.7	758.7	703.0	499.0	353.0	312.9
(127.5)	(99.9)	(96.5)	(106.0)	(115.4)	(93.2)	(90.7)	(75.6)
40.3	33.2	37.2	46.8	32.9	41.2	64.1	41.7
12.8	9.6	21.3	22.8	12.5	17.0	6.2	2.4
(9.9)	(13.6)	(23.3)	(29.6)	(14.8)	(5.8)	(7.3)	(9.9)
—	—	—	—	—	20.4	—	—
1,064.3	947.3(1)	784.4	692.7	618.2	478.6	325.3	271.5
449.6	429.3	340.7	301.2	270.2	191.3	107.9	99.7
614.7	518.0(1)	443.7	391.5	348.0	287.3(2)	217.4	171.8
2.04	1.69(1)	1.42	1.23	1.08	1.00(2)	.80	.64
2.04	1.69(1)	1.42	1.23	1.08	.98(2)	.77	.64
148.4	120.2	102.7	89.7	78.3	65.8	51.2	44.8
.54	.44	.36⅔	.31⅓	.27	.23	.18⅘	.16½
20.1	26.9	27.0	27.0	29.7	—	—	—
3.23	3.60	3.60	3.60	3.60	—	—	—
301.5	306.6	312.6	317.4	321.0	288.6	272.4	271.2
301.5	306.6	312.6	317.4	321.0	294.5	289.0	271.2

FINANCIAL SUMMARY—BALANCE SHEET AND OTHER INFORMATION

Anheuser-Busch Companies, Inc., and Subsidiaries

(In millions, except per share and statistical data)

	1990	*1989*	*1988*
BALANCE SHEET INFORMATION			
Working capital (deficit)	$ 14.4	$ (25.7)	$ 15.2
Current ratio	1.0	1.0	1.0
Plant and equipment, net	7,063.8	6,671.3	5,467.7
Long-term debt	3,147.1	3,307.3	1,615.3
Total debt to total debt plus equity	46.1%	52.4%	34.2%
Deferred income taxes	1,396.2	1,315.9	1,212.5
Convertible redeemable preferred stock	—	—	—
Shareholders equity	3,679.1	3,099.9	3,102.9
Return on shareholders equity	24.9%	24.7%	23.9%
Book value per share	13.03	10.95	10.95
Total assets	9,634.3	9,025.7	7,109.8
OTHER INFORMATION			
Capital expenditures	898.9	1,076.7	950.5
Depreciation and amortization	495.7	410.3	359.0
Total payroll cost	2,173.9	1,954.2	1,817.7
Effective tax rate	37.7%	37.5%	38.3%
Price/earnings ratio	14.6	14.4	12.9
Percent of pretax profit on gross sales	11.6%	11.9%	12.0%
Market price range of common stock (high/low)	45-34¼	45⅞-30⅝	34⅛-29⅛

NOTES TO FINANCIAL SUMMARY—BALANCE SHEET AND OTHER INFORMATION

Note: All per share information reflects the September 12, 1986 two-for-one stock split and the June 14, 1985 three-for-one stock split. All amounts reflect the acquisition of Campbell Taggart, Inc. as of November 2, 1982 and the acquisition of Sea World as of December 1, 1989. Financial information prior to 1988 has been restated to reflect the adoption in 1988 of Financial Accounting Standards No. 94, Consolidation of Majority-Owned Subsidiaries.

(1) This percentage has been calculated by including convertible redeemable preferred stock as part of equity because it was convertible into common stock and was trading primarily on its equity characteristics.

1987	1986	1985	1984	1983	1982	1981	1980
$ 75.8	$ (3.7)	$ 116.0	$ 71.5	$ 173.1	$ 60.2	$ 41.0	$ 26.3
1.1	1.0	1.1	1.1	1.2	1.1	1.1	1.1
4,994.8	4,494.9	3,960.8	3,579.5	3,269.8	3,057.3	2,324.5	1,947.4
1,422.6	1,164.0	904.7	879.5	1,003.1	1,029.9	862.2	743.8
33.0%	31.6%(1)	26.9%(1)	28.2%(1)	32.8%(1)	36.8%(1)	42.5%	43.4%
1,164.3	1,094.0	964.7	757.9	574.3	455.2	357.7	261.6
—	286.9	287.6	286.9	286.0	285.0	—	—
2,892.2	2,313.7	2,173.0	1,951.0	1,766.5	1,526.6	1,206.8	1,031.4
22.4%	20.5%(1)	18.9%(1)	18.2%(1)	18.0%(1)	19.9%(1)	19.3%	17.8%
9.87	8.61	7.84	6.91	6.09	5.27	4.43	3.81
6,547.9	5,898.1	5,192.9	4,592.5	4,386.8	3,965.2	2,938.1	2,449.7
841.8	796.2	611.3	532.3	441.3	380.9	441.5	590.0
320.1	281.2	240.0	207.9	191.3	136.9	111.0	99.4
1,790.5	1,640.9	1,559.1	1,438.6	1,361.7	864.0	695.5	594.1
42.2%	45.3%	43.4%	43.5%	43.7%	40.0%	33.2%	36.7%
16.4	15.5	14.9	9.8	9.6	11.0	8.9	7.3
11.7%	11.2%	10.1%	9.6%	9.2%	9.1%	7.3%	7.1%
39¾-26⅜	28⅝-20	22⅞-11⅞	12⅜-8⅞	12⅞-9¾	11⅞-6½	7⅜-4½	5¼-3½

THE CORPORATION

Anheuser-Busch Companies, Inc. is a diversified corporation whose subsidiaries include the world's largest brewing organization and the country's second largest producer of fresh baked goods. The company also has interests in container manufacturing and recycling, malt and rice production, international brewing and beer marketing, snack foods, international baking, refrigerated and frozen foods, family entertainment, real estate development, major league baseball, stadium ownership, creative services, railcar repair and transportation services, and metalized label printing.

TRADEMARKS

Trademarks of the corporation and its subsidiaries include: Anheuser-Busch, the A & Eagle Design, Budweiser, Bud, Bud Dry, Bud Light, King of Beers, Michelob, Michelob Dry, Michelob Light, Michelob Classic Dark, Mich, Busch, Natural Light, King Cobra, Busch Gardens, The Dark Continent, The Old Country, Adventure Island, Kingsmill, Cardinals, Eagle (for snacks), Rainbo, Colonial, Earth Grains, El Charrito, Sea World and Shamu, among others.

ANNUAL MEETING

The annual meeting of shareholders will be held on Wednesday, April 24, 1991, in Williamsburg, Va. A formal notice of the meeting together with a proxy statement will be mailed to shareholders in mid-March 1991.

ADDITIONAL INFORMATION

A copy of the company's annual report to the Securities and Exchange Commission (Form 10-K) is available to shareholders without charge upon written request to JoBeth G. Brown, Corporate Secretary, Anheuser-Busch Companies, Inc., One Busch Place, St. Louis, Mo. 63118.

A copy of the corporation's "Fact Book," which contains general information about the company, may be obtained by writing to Corporate Communications, Anheuser-Busch Companies, Inc., One Busch Place, St. Louis, Mo. 63118.

COMMON STOCK

Anheuser-Busch Companies, Inc. common stock is listed and traded on the New York Stock Exchange and the London, Frankfurt, Paris, Zurich, Geneva, Basle and Tokyo Stock Exchanges. It is also traded on the Boston, Midwest, Cincinnati, Pacific and Philadelphia Stock Exchanges and the over-the-counter market. Options in the company's common stock are traded on the Philadelphia Stock Exchange. The stock is quoted as "Anheus" or "AnheuserB" in stock table listings in daily newspapers in the U.S.; the abbreviated ticker symbol is "BUD."

DIVIDENDS

Dividends on common stock are normally paid in the months of March, June, September and December.

DIVIDEND REINVESTMENT

The company's Dividend Reinvestment Plan allows shareholders to reinvest dividends in Anheuser-Busch Companies, Inc. common stock automatically, regularly and conveniently—without service charges or brokerage fees. In addition, participating shareholders may supplement the amount invested with voluntary cash investments on the same cost-free basis. Plan participation is voluntary and shareholders may join or withdraw at any time.

Full details concerning the plan are available by writing to First Chicago Trust Company of N.Y., Dividend Reinvestment Plan, P.O. Box 3506, Church Street Station, New York, N.Y. 10008-3506. Be certain to include a reference to Anheuser-Busch Companies, Inc. Plan information can also be obtained by writing to Investor Relations, Anheuser-Busch Companies, Inc., Bldg. 202-5, One Busch Place, St. Louis, Mo. 63118.

TRANSFER AGENT AND REGISTRAR–COMMON STOCK	Boatmen's Trust Company 510 Locust Street St. Louis, Mo. 63101 (314) 466-6000
DIVIDEND DISBURSING AGENT	Boatmen's Trust Company 510 Locust Street St. Louis, Mo. 63101 (314) 466-6000
TRUSTEES–DEBENTURES / NOTES	5.45%, 6%, 8-5/8% and 8-1/2% debentures, 8% notes and 14% Australian dollar notes: Chemical Bank 55 Water Street New York, N.Y. 10041 7.95%, 8.55%, 9.00%, 9.20% and 10% debentures, 8% convertible debentures, 8-3/4% and 8-7/8% notes, and medium term notes: Manufacturers Hanover Trust Company 450 West 33rd St. New York, N.Y. 10001
FISCAL AGENTS–NOTES/BONDS	9-1/8% and 11-1/8% notes: Manufacturers Hanover Trust Company 450 West 33rd St. New York, N.Y. 10001 8% dual-currency Japanese yen / U.S. dollar notes: The Industrial Bank of Japan, Limited 3-3 Marunouchi 1-Chome Chiyoda-ku Tokyo 100, Japan
INDEPENDENT ACCOUNTANTS	Price Waterhouse One Boatmen's Plaza St. Louis, Mo. 63101
CORPORATE OFFICE	One Busch Place St. Louis, Mo. 63118 (314) 577-2000

ANHEUSER-BUSCH COMPANIES, INC.

POLICY COMMITTEE

August A. Busch III*
Chairman of the Board and President

Jerry E. Ritter*
Executive Vice President–Chief Financial and Administrative Officer

Michael J. Roarty*
Executive Vice President–Corporate Marketing and Communications

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Vice President and Group Executive

Barry H. Beracha
Vice President and Group Executive

John H. Purnell
Vice President and Group Executive

W. Randolph Baker
Vice President and Group Executive

Stephen K. Lambright
Vice President and Group Executive

Stuart F. Meyer
Vice President–Corporate Human Resources

Raymond E. Goff
Vice President and Group Executive

Jaime Iglesias
President and Managing Director–Anheuser-Busch Europe, Inc.

Aloys H. Litteken
Vice President–Engineering

David S. Leavenworth
Chairman of the Board and Chief Executive Officer–Campbell Taggart and Eagle Snacks

Member of the Corporate Office

OTHER OFFICERS

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Vice President and Corporate Representative

Wayman F. Smith III
Vice President–Corporate Affairs

Thomas R. Billen
Vice President–Corporate Planning

Walter A. Suhre, Jr.
Vice President and General Counsel

Osmond Conrad
Vice President and Controller

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Vice President–Materials Acquisition

Jesse Aguirre
Vice President–Corporate Relations

Lee J. Waltemade
Vice President–Corporate Labor Relations

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Vice President and Treasurer

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Vice President—Corporate Research and Development

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Ray Payne
Vice President–Management Systems

Joseph P. Castellano
Vice President–Consumer Awareness and Education

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Secretary

Albert R. Wunderlich
Tax Controller

Knut C. Heise
Assistant Secretary

Laura H. Reeves
Assistant Secretary

Richard A. Schwartz
Assistant Secretary

Richard N. Hill
Assistant Treasurer

William J. Kimmins
Assistant Treasurer

Bruce M. Sandison
Assistant Treasurer

Ronald S. Burkhardt
Assistant Controller

PRINCIPAL OFFICERS OF ANHEUSER-BUSCH COMPANIES SUBSIDIARIES

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Vice President–Quality Assurance

Gerhardt A. Kraemer†
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Vice President–Operations

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Vice President–Wholesale Operations Division

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Vice President–Administration

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Vice President–Corporate Media

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Vice President–Brand Management

Gary R. Welker†
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Henry H. Brown
Vice President–Market Development

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Vice President–National Accounts

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Vice President–Trade Sales Development

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Vice President–Plant Operations

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Vice President–Budweiser Brands

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Vice President and Resident Manager–St. Louis

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Vice President–Brewing Technical Services

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Vice President and Deputy General Counsel

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†*Member of the Anheuser-Busch, Inc. Management Committee*

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Vice President–Can Operations
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Vice President–Quality

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Vice President and General Manager

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Executive Vice President and Chief Operating Officer
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Senior Vice President; Assistant Secretary–Treasurer
Bruce D. Sabin
Executive Vice President and Chief Operating Officer

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Joseph J. Kramer
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Chairman and Chief Executive Officer
Edward R. Goedeke
President and Chief Operating Officer
Walter J. Andrews
Vice President–Operations
Joel A. Murnin
Vice President; Treasurer; Controller

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Chairman and Chief Executive Officer
Edward R. Goedeke
President and Chief Operating Officer
Joel A. Murnin
Vice President; Treasurer; Controller

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Managing Director–Dillon, Read & Co. Inc.; an investment banking firm

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President and Chief Executive Officer–National Urban League, Inc.; a community-based social and advocacy agency

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Partner–Munger, Tolles & Olson; attorneys

Sybil C. Mobley
Dean of the School of Business and Industry–Florida A&M University

James B. Orthwein
Partner–Huntleigh Asset Partners; a private investment firm

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Former Chairman and Chief Executive Officer–J. P. Morgan & Co., Inc.; a bank and financial services holding company

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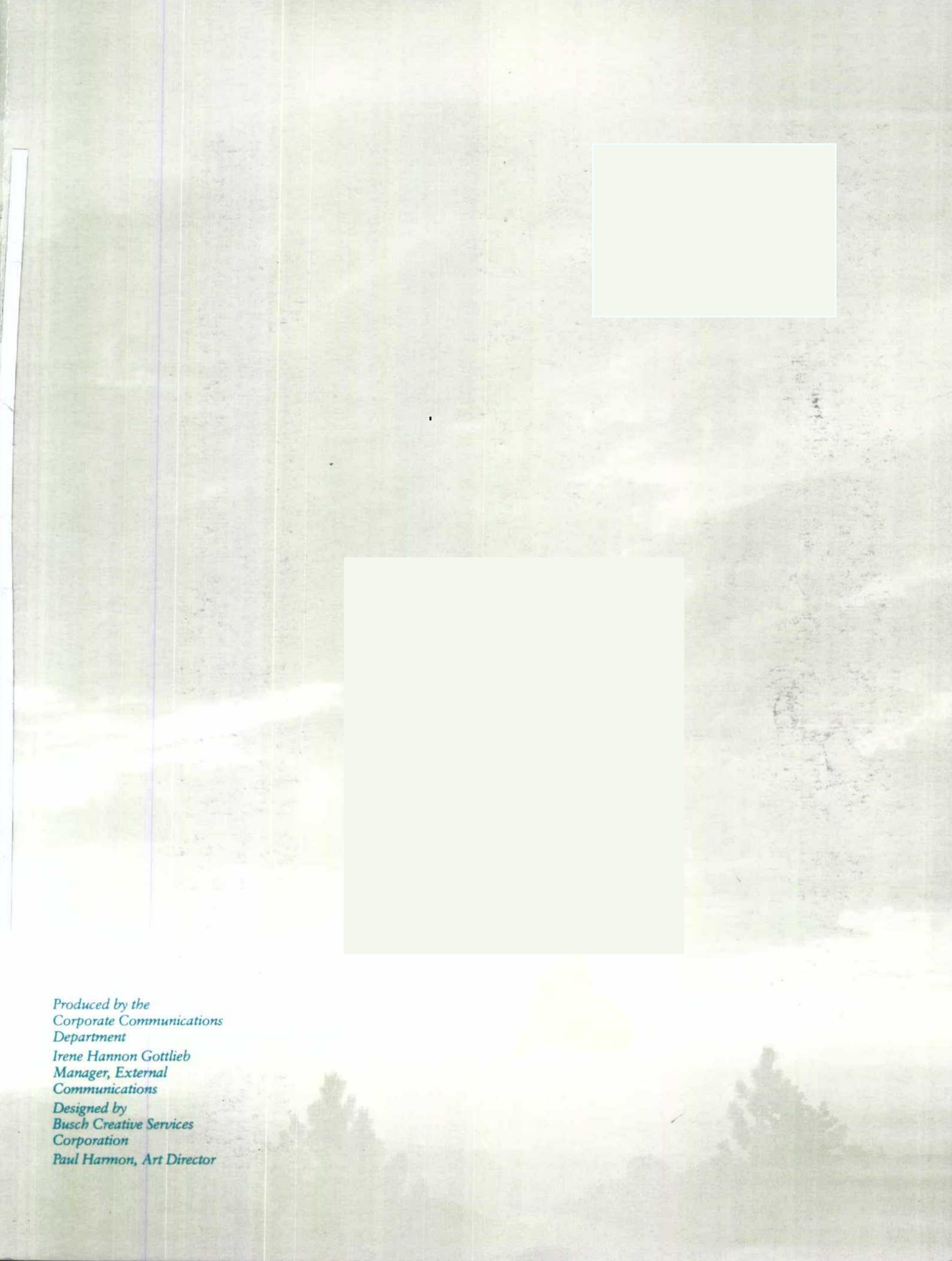
ADVISORY MEMBERS

Armand C. Stalnaker
Professor of Management–Washington University School of Business

Fred W. Wenzel
Chairman of the Board–Kellwood Company; a manufacturer of apparel and home fashions



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Irene Hannon Gottlieb Manager, External Communications

Designed by Busch Creative Services Corporation

Paul Harmon, Art Director